

1996

# An Analysis of the Economic Implications of the Proposed Merger between Randolph Township and the Village of Clayton

Michael V. Wainscott

*Wright State University - Main Campus*

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**AN ANALYSIS OF THE ECONOMIC IMPLICATIONS OF THE  
PROPOSED MERGER BETWEEN RANDOLPH TOWNSHIP  
AND THE VILLAGE OF CLAYTON**

*An internship report submitted in partial fulfillment  
of the requirements for the degree of  
Masters of Science*

By

MICHAEL V. WAINSCOTT  
B.A., Wright State University, 1992

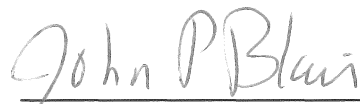
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Wright State University

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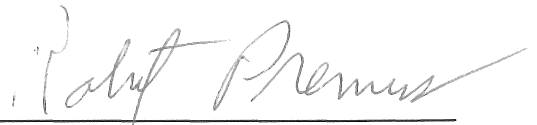
DEPARTMENT OF ECONOMICS

October 30, 1996

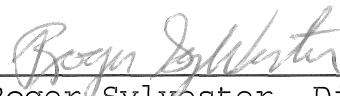
I HEREBY RECOMMEND THAT THE INTERNSHIP REPORT PREPARED UNDER MY SUPERVISION by Michael V. Wainscott ENTITLED An Analysis of the Economic Implication of the Proposed Merger Between Randolph Township and the Village of Clayton BE ACCEPTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF Master of Science.



Dr. John Blair  
Faculty Supervisor



Dr. Robert Premus  
Faculty Reader



Roger Sylvester, Director  
Director, M.S. in Social  
and Applied Economics

## ABSTRACT

Wainscott, Michael V. M.S., Department of Economics, Wright State University, 1996. An Analysis of the Economic Implications of the Proposed Merger Between Randolph Township and the Village of Clayton.

This study was conducted to determine the economic implications of the proposed merger between the Village of Clayton and unincorporated Randolph Township, as well as critique the plan laid out by the Merger Commission. The focus of the study was to compare the expenditures of ten area cities with the proposed expenditures of the Merger Commission as described in their May 7 Preliminary Report. In addition, economic trends in the area were examined to fully gauge the impact of the merger on the Northmont area.

It is clear from this study that the proposed budget of the new city will be inadequate to fund key city services at even the lowest levels in the area. In key areas like police protection, road maintenance, community development, and general government, the new city has budgeted as much as 80% below the median expenditures of comparable cities in the area. The total proposed 1996 budget of \$2,064,539 represents a per capita expenditure of \$151, far below the median per capita budget of \$560. Most disturbingly, the proposed budget for the new city would place its expenditures on each city function below the lowest city in each category examined.

The implications of this are substantial for the entire region. The City of Englewood has been responsible for 84% of the growth in commercial and industrial property values since 1989 in the Northmont area. In fact, Englewood has seen its valuations of C/I properties increase faster than any



## ABSTRACT

other city in Montgomery County. This merger would end Englewood's annexation of lands in the area, leaving long term new business development in the Northmont area the primary responsibility of the new city. Unfortunately, the new city lacks the capacity to extend water and sewer lines into new areas, a key precondition for attracting new businesses and being competitive for ED/GE grants. Most surprisingly, the new city has budgeted only \$38,000 for community development, far below the levels of any city studied. If this merger is approved, the long term development of the Northmont area will be altered dramatically.

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## I. Introduction

On November 5, 1996, the voters in the unincorporated area of Randolph Township, population 12,940, and the Village of Clayton, population 697, will decide whether or not to merge into a single entity. If this merger is successful, the new City of Clayton will be created effective January 1, 1998, making it the largest municipality in the Northmont region, an area comprising the City of Englewood, the City of Union, the Village of Clayton, the Village of Phillipsburg, and unincorporated Randolph Township.<sup>1</sup> All of these entities with the exception of Phillipsburg comprise Randolph Township in its entirety. The purpose of this project is to provide an impartial examination of the economic implications of this merger on the Village of Clayton and the unincorporated Township as well as the entire Northmont area.

### *Background Information on the Region*

In some respects, the four areas within Randolph Township have developed in a uniform fashion. First, the population trends within the various entities within the Township have been quite uniform. In 1994, the estimated population of Randolph Township was 30,293, an increase of 228% since 1960, although only a 3.6% increase since 1980. These stable growth rates have been quite uniform throughout the Township. Second, residential

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<sup>1</sup> According to the Montgomery County Auditor's Office, a total of eight separate entities comprise the Northmont area: Clayton, Englewood, Phillipsburg, Union, unincorporated Randolph Township, part of Madison Township, part of Clay Township, and an area within Brookville. The latter three areas represent only a tiny portion of the tax base in the Northmont area and were excluded from the study.

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property valuations have increased at roughly the same rate throughout the Township, with each of the four entities seeing rates increase between 38%-47% since 1989. In fact, the only significant difference in property valuations within the Township was seen in the area of commercial and industrial property valuations.

Randolph Township can best be described as suburban to rural in nature, with limited commercial and industrial development among the entities in the Township with the notable exception of the City of Englewood, which has been quite successful in recent years in attracting new businesses to the area. Much of this development has occurred by developing lands annexed from the unincorporated parts of the Township, a fact that has been a source of resentment by some within the unincorporated areas, who see the annexation activities of Englewood as depriving the Township of the opportunity to develop the prime lands. A way to halt Englewood and other area community's annexation efforts is to merge the unincorporated area of the Township with an adjacent community, in this case the Village of Clayton. A Merger Commission has been formed by the proponents of the consolidation to create a plan for merger, and a blueprint for providing city services. The Commission's final report on the Terms and Conditions for merger, included in Appendix A, was released on July 29, 1996.

Although the merger issue has brought to the surface substantial divisions within the Township, the area is united in other respects. The incorporated and unincorporated parts of the Township are interconnected through several city functions. Fire protection services are provided by the Randolph Township Fire Department, which is funded by contributions by residents throughout the Township. Dispatching services for the entire region are handled by the City of Englewood. In addition, the various parks and

recreation facilities provided by the City of Englewood benefit the entire Township and Northmont region in general. Finally, the economic development that occurs in the area has a direct financial impact on the Northmont Schools, which benefits all citizens in the region. Thus, despite the wide disagreements over the merger and other issues between some within the incorporated and unincorporated parts of the Township, an argument can still be made that Randolph Township functions much like a single community.

### *Purpose and Rationale*

This project represents an impartial attempt to inform the voters in Clayton and the Township of the likely costs that will face the new city, both short and long term, and provide a fair critique of the Merger Commission's projections and proposals. In a politically charged debate such as what is occurring in Randolph Township, it is very difficult for the voters to differentiate between rhetoric and facts, a task made more difficult when the only sources of information for voters is originating from two sides that are bitterly opposed to each other. It is essential that before a decision of this magnitude is made, the voters understand the economic implications of merging clearly. Failure to do so could have dire consequences for the new city and the Northmont area, as can be demonstrated by contrasting two recent mergers in the Dayton area.

In the merger between Mad River Township and Riverside in 1995, no extensive studies were conducted to fully consider what the additional costs and projected revenues might be as a result of the merger. Instead, the politicians offered vague assurances that township-level expenditures would be sufficient to cover city costs and that their revenue projections were sufficient

to cover these costs. Further, it was argued that a vote against the merger would be tantamount to surrendering the economic future of the area to the predatory annexations of the City of Dayton.

The lack of planning and consideration of the economic issues underlying the merger resulted in disastrous consequences for the new city. The Merger Commission failed to fully consider the loss in revenues from several levies that no longer applied after the merger. In addition, the expenditures that were required for police protection, maintenance of streets formerly maintained by the County, and general inflationary pressures, were not anticipated by the new city, resulting in the controversial proposal for significant tax increases after the Merger had been agreed to by the voters.

In contrast, the City of Trotwood studied the issue of its merger with Madison Township effective in 1996 quite closely. Detailed estimates were made of the additional costs that would be incurred as a result of the merger. Before the merger commission had even been formed, Trotwood had surveyed every road in Madison Township using Ohio Department of Transportation ratings to determine the costs of maintaining the 38 miles of roads formerly the responsibility of Montgomery County and the State. Their estimated maintenance cost for roads of \$14,000 per street mile contrasts sharply with the \$6,265 outlay proposed by the Merger Commission in the Randolph Township/Village of Clayton proposal to maintain 39.5 additional miles of roads.

As a result of these studies, the Merger Commission for Trotwood-Madison made the approval of an increase in property taxes on the residents a precondition to merger. In addition, the proposed new city introduced a 2.25% income tax on the residents of Madison Township. The voters approved the terms, and on January 1, 1996, the new city of Trotwood was formed, with

early indications of a fairly orderly transition. The lessons to be learned from the Trotwood-Madison and Riverside-Mad River mergers are clear. Forming a city is not a simple matter; it requires years of planning and preparation, and a recognition of the fact that providing services to a city are considerably more costly than to a township. This project is an attempt to center the debate over the merger between unincorporated Randolph Township and the Village of Clayton around the economic implications of consolidation.

### *Methodology*

In estimating a budget for 1996, the Merger Commission used a methodology that projected expenditures that attempted to maintain current service levels, a static analysis that was rejected for this project for a variety of reasons. First, it was determined after interviews with numerous experts on a variety of issues in the Randolph Township area that the new city would face rising average costs as a result of the merger. For example, in the case of road maintenance, it was determined that Madison Township was on a "patch-up" five year plan that is scheduled to expire in 1997. Some of the roads are in such poor condition in the Township that one area developer described the plan as "putting a band-aid on a gun shot wound." Every source familiar with the road conditions in the Township and average road repair costs stated in *absolute* terms that the new city projections, which assumed constant average costs from 1995 to 1996 were inadequate to properly repair and maintain the new city's roads. These problems need to be addressed regardless of whether or not the new city is formed. However, this consolidation will result in the new city acquiring an additional 39.5 road miles that were formerly maintained

by the State of Ohio and Montgomery County. It would seem sensible for the Township to address the structural problems of its own roads before acquiring additional responsibilities in this area.

Other problems are evident in additional city functions. Community development, a city function that entails such activities as zoning, building inspections, and economic development, the Merger Commission has proposed an expenditure level in 1996 that is woefully inadequate for a city concerned with economic development issues. In contrast, The City of Trotwood allocated an increase of over \$450,000 for this key city function in their Final Report. These and other findings led us to the conclusion that a static analysis was simply not applicable in this case.

The methodology used in this case compared the expenditures of similar cities in the Dayton area with the projected expenditures of the new city. Ten cities with similar attributes to the proposed new city were chosen. They included the cities of: Fairborn, West Carrollton, Huber Heights, Piqua, Troy, Beavercreek, Trotwood, Vandalia, Englewood, and Kettering. Expenditures on ongoing services were collected for a variety of city functions, with the intent to compare the average and low expenditures in these areas with the proposed new city budget. This methodology was a way to show in a fair and impartial way where the new city's proposed expenditures compared with similar cities in the area.

Another way to more fairly and accurately compare the expenditures of the ten cities with the proposed expenditures of the new city was to use the median expenditure in each category rather than the mean. The median was used because the mean tended to bias the comparison of spending involving certain city functions where one or a few cities diverged widely from the range of the others. For example, expenditures on road maintenance costs typically

not clearly defined by State law, primarily due to the political landscape within the Township. Randolph Township encompasses four entities: the Village of Clayton, the City of Englewood, the City of Union, and the unincorporated area of the Township. The proposed merger would exclude the Township residents in Englewood and Union from voting on the issue, effectively excluding the majority of the Township's residents from having a voice on an issue that would greatly impact the entire region. Legal experts disagree as to the legality of excluding residents in the incorporated areas of the Township from voting on a merger that impacts all of Randolph Township. Ohio Revised Code sections 709.43-709.50 govern merger issues in the State, yet nowhere in the law is this specific issue addressed fully.

State law recognizes two types of mergers. The first involves the consolidation of adjacent municipalities, as described in ORC section 709.43. The second involves the merging of an unincorporated area of a township with one or more municipalities, a municipality being defined as a Village or City under the terms set forth in ORC section 703.01. It is the latter case that we will focus on here.

Before the merger process can be initiated, the areas in question must be contiguous, or adjacent to each other, whose borders are within the township. It should be noted that as a municipality, the Village of Clayton cannot be annexed by another municipality, but can annex land within the unincorporated Township that it is adjacent to. To initiate the merger process, a petition must first be filed with the Board of Elections that describes the area to be merged, includes a map accurately describing the area, names the nominees to serve on a Merger Commission, and includes the signatures of at least ten percent of the electors who voted for governor in the most recent election. The Merger Commission nominees are to consist of at least five electors from the

unincorporated area and five from each of the municipalities. Whether or not "municipalities" refers to just the municipalities involved in the merger, or all municipalities in the township is subject to legal interpretation. The law as it stands is simply not clear on this issue.

The next step in the process is for the board of elections to submit the question to the voters in the unincorporated township and municipalities,

"Shall a commission be chosen to draw up a statement of conditions for merger of the political subdivisions of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_?"

(ORC s709.45)

Assuming that this vote is approved by the majority of the voters in each of the political subdivisions, the Merger Commission is required to meet within ten days to begin its work. The commission must submit to the public the "Terms and Conditions for Merger" no later than 75 days before the election the following year. Again, this particular proposed merger is unique in that it excludes the residents of Englewood and Union, who are also residents of the Township, from the vote. The issue of the legality of this procedure will no doubt be settled in litigation.

If the "Terms and Conditions for Merger" are approved by the majority of the voters in the municipalities and township, then the merger becomes effective January 1 of the following year following certification of the election, unless the "Terms and Conditions" specifies a different date. If the voters reject the terms and conditions, then the issue cannot be considered again by the voters for three years thereafter.

In 1995, the voters in Clayton and unincorporated Randolph Township supported the formation of a Merger Commission. This set into motion the

process that will culminate on November 5, 1996, when the residents of the Village of Clayton and unincorporated Randolph Township will vote on whether or not to approve the "Terms and Conditions" of merger and become a single entity. If this vote is approved, then the two entities will merge into a single Village on January 1, 1997. On January 1, 1998, the Village of Clayton will become the City of Clayton.

The ramifications of this merger are substantial for the entire Township, as is demonstrated by the issue of the Randolph Township Fire Department. It is believed by many legal experts that upon completion of the merger, the assets of the Fire Department will be transferred to the new city. This would occur despite the fact that the citizens of Englewood and Union have financially supported the development of the fire department for decades. Thus, because of an ambiguity in the Ohio Revised Code on mergers and consolidations, the citizens in the incorporated areas of Randolph Township may not have the right to vote on an issue involving the Township that could result in the loss of their fire department and their economic interests therein.



## II. TRENDS IN THE NORTHMONT AREA

### *Introduction*

This study was conducted to better gauge the economic impact of the proposed merger between unincorporated Randolph Township and the Village of Clayton on the entire Northmont area. Northmont represents eight distinct entities residing in northern Montgomery County that are united by one of Ohio's most respected school systems, the Northmont School District. These eight areas include the City of Englewood, the City of Union, the Village of Clayton, the Village of Phillipsburg, most of the unincorporated area of Randolph Township, parts of unincorporated Clay Township, a small part of Madison Township, and a small area within Brookville. Together, these eight entities account for the tax base for the Northmont School District.

In this study, four trends were examined, including population growth, total assessed property value growth, growth in agricultural/residential property values (A/R), and the growth in the assessed property values in the commercial and industrial sector (C/I). Comparisons were made in several ways, such as between the entities within the Northmont area and for the entire Montgomery County region. The comparison of the growth in total property valuations, also referred to as *grand valuations*, includes tangible personal property as well as C/I and A/R.

### *Measurement Issues*

Some minor modifications had to be made to the data to ensure an apples to apples comparison. In 1995, Mad River Township and the City of Riverside

merged into a single entity. Since the property value data is inclusive of the 1995 tax year, it became necessary to combine Mad River and Riverside into a single category titled, "Mad River/Riverside." In addition, the Village of Carlisle was excluded from the references to Miami Township. Finally, three of the eight entities within the Northmont area were excluded from the study for two reasons: the data was not readily available, and they represented only a tiny percentage of the overall Northmont area in terms of population, property values, and other measures. Thus, the areas of Madison and Clay Townships as well as Brookville, which together account for only 5% of the total property value base in the region, were not included in the study.

The Montgomery County Auditors Office provided the raw data used in this study, which consisted of the assessed real property valuations of all municipalities and townships in Montgomery County from 1989-1995, as well as population data for these entities from 1960 through 1994. The property valuations were divided into three categories: agricultural/residential assessed property valuations, commercial/industrial assessed property valuations, and total assessed property valuations. Property valuations quoted for the townships in the county were for the **unincorporated** areas only. The population data described here for the townships is expressed for the **entire township**. The latter was done primarily because population data for the townships was more readily available combining the incorporated and unincorporated areas.

### ***Findings and General Observations***

Three significant trends were evident from the study. First, it is apparent that Englewood is the only entity within the Northmont area that has

significantly contributed to commercial and industrial development recently. Since 1989, Englewood has accounted for 83% of the increase in commercial and industrial property values in the Northmont region. In fact, the City of Englewood has seen its commercial/industrial property values increase 57% since 1989, making it the fastest growing area in Montgomery County next to Butler Township, as noted in Table 1.

Second, it is clear that the growth trends for commercial and industrial development for the Northmont area compare quite favorably to the county as a whole, due primarily to Englewood's spectacular growth in this sector. Since 1989, Montgomery County has seen overall assessed commercial/industrial property values increase by 20.40%, while the Northmont area has seen its C/I property values appreciate 48.43%. Englewood has been the key contributor to this growth for the Northmont area.

Finally, the population trends within the Northmont area have been quite flat since 1980 for the entire Northmont region and Montgomery County in general, as is demonstrated in Figure 1. It is clear from this study that the population growth is occurring in the southern part of the county, while the City of Dayton has seen a steady erosion in its population base, dropping from 262,332 in 1960 to an estimated 178,540 in 1994, a 32% decline. This trend is consistent with the "donut city" theory that many have used to describe the Dayton area, with the core city in rapid decline while the periphery areas benefit from migration from the core. Table 2 illustrates this, listing the percentage change in population for each City, Village, and Township over the period.

Some additional findings:

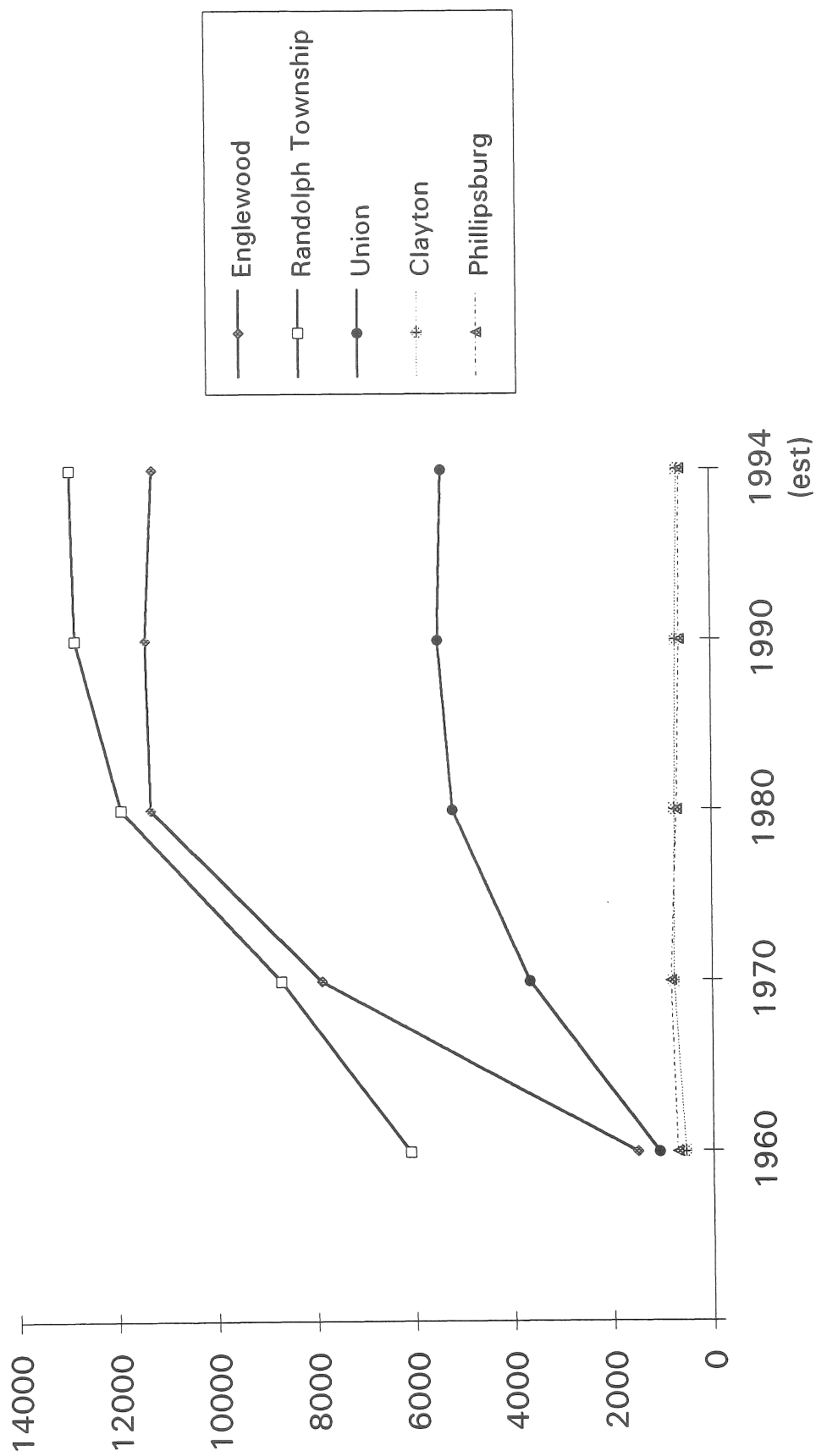
\* The Villages of Brookville and Farmersville had the most rapid increase in total property valuations from 1989-1995, with growth rates of 57.65% and

**Table 1**  
**Growth in Commercial & Industrial Real Property**  
**Valuations in Montgomery County, 1989-1995.**  
**(Combined Listing of Cities, Unincorporated Townships, and Villages)**

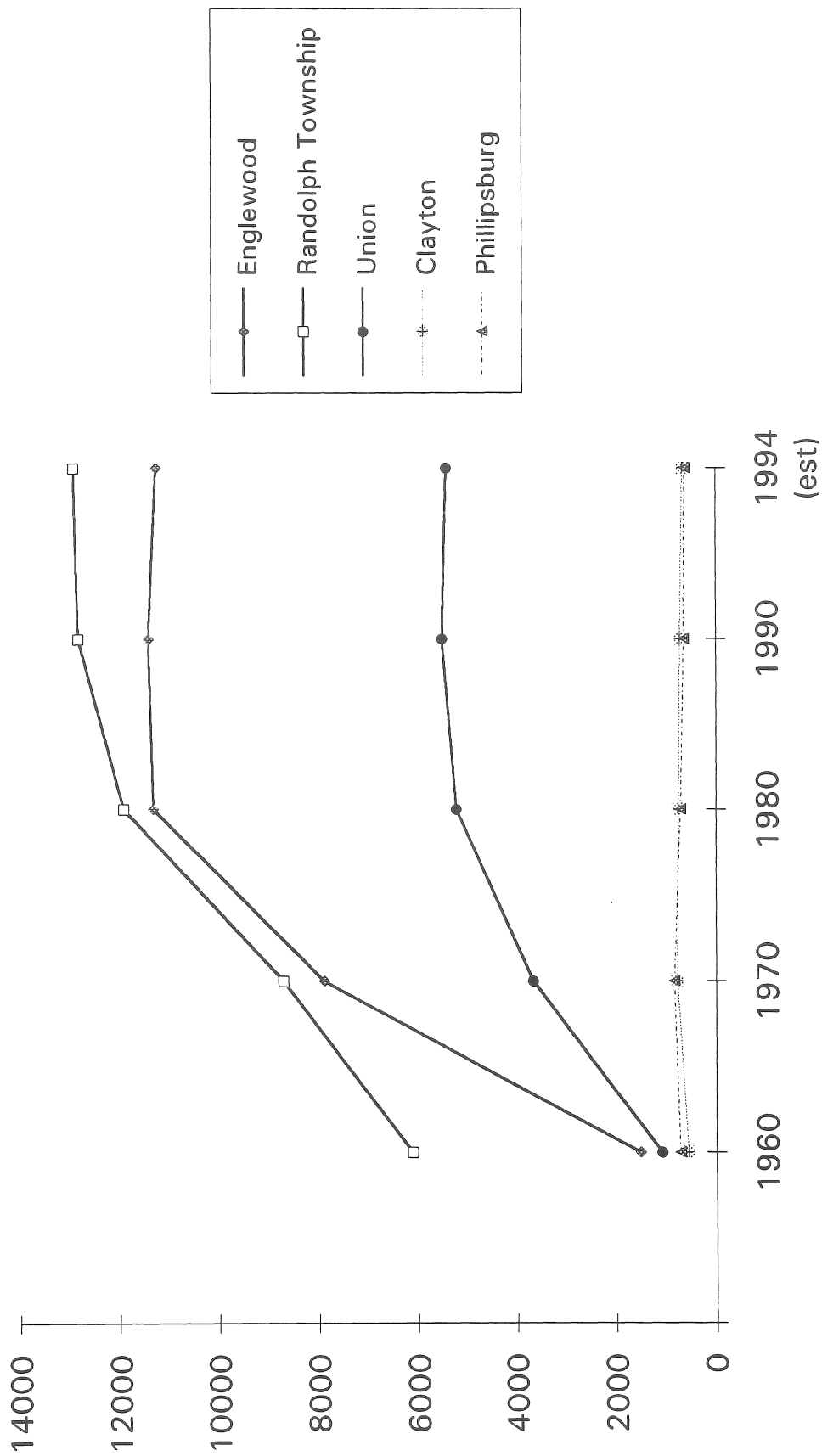
Municipality	% Change in Valuation	C/I Valuation in 1995
Butler (t)	57.77	\$18,177,000
<b>Englewood (c)</b>	<b>57.47</b>	<b>38,412,280</b>
Huber Heights (c)	53.64	78,946,140
Brookville (v)	46.44	15,145,110
Miamisburg (c)	45.33	198,086,250
Washington (t)	45.19	104,605,420
Miami (t)	36.41	149,955,260
<b>Randolph (t)</b>	<b>31.33</b>	<b>11,107,770</b>
Clay (t)	29.79	3,908,600
West Carrollton (c)	27.92	50,618,620
Germantown (v)	21.43	4,857,730
Trotwood (c)	19.55	33,435,100
Kettering (c)	19.19	192,416,580
Vandalia (c)	17.31	76,332,380
Phillipsburg (v)	16.34	347,890
Centerville (c)	16.05	64,404,270
Oakwood (c)	15.83	14,276,300
Clayton (v)	15.74	291,320
Harrison (t)	15.52	89,216,390
Jefferson (t)	12.21	2,626,500
Moraine (c)	11.35	81,647,480
Union (c)	10.67	1,697,830
Dayton (c)	10.41	457,268,210
New Lebanon (v)	9.63	4,443,140
Farmersville (v)	3.51	568,310
Mad River/Riverside (t)	-1.39	41,296,190
Madison (t)	-17.17	30,044,340

\* (c) = City, (t) = unincorporated Township, (v) = Village

**Figure 1 Population Growth Trends in the Northmont Area**



**Figure 1 Population Growth Trends in the Northmont Area**



**Table 2 Population Growth Trends Within  
Montgomery County (Percent Change)**

	1960-1970	1970-1980	1980-1990	1990-1994
<b>Montgomery County</b>	<b>15.43%</b>	<b>-6.03%</b>	<b>0.37%</b>	<b>-0.29%</b>
<b>Cities</b>				
Centerville	196.07	82.77	11.63	3.13
Dayton	-7.36	-20.36	-5.94	-1.92
Englewood	420.46	43.68	0.91	-1.36
Huber Heights	132.70	26.83	9.06	3.49
Kettering	31.95	-14.86	-1.01	0.71
Miamisburg	49.57	3.43	16.53	1.61
Moraine	116.53	8.72	12.47	1.64
Oakwood	-3.79	-7.16	-4.43	-2.48
Trotwood	40.16	11.50	13.00	-0.42
Union	240.86	42.83	5.40	-1.58
Vandalia	70.23	21.91	5.48	0.83
West Carrollton	126.32	22.33	9.55	1.03
<b>Townships*</b>				
Butler	43.80	2.98	-7.81	-0.43
Clay	21.68	7.00	4.41	4.27
Harrison	17.86	-21.04	-3.56	-1.04
Jefferson	5.98	-20.45	-7.75	-2.22
Madison	12.16	5.15	-3.81	-1.82

**Table 2 Population Growth Trends Within  
Montgomery County (Percent Change) cont'**

	1960-1970	1970-1980	1980-1990	1990-1994
<b>Montgomery County</b>	<b>38.29%</b>	<b>-1.84%</b>	<b>6.92%</b>	<b>4.37%</b>
<b>Townships*</b>				
Mad River	18.47	-17.93	-7.69	-3.08
Miami**	19.81	1.93	21.14	0.76
Randolph	127.41	39.11	4.20	-0.54
Washington	130.99	62.27	17.25	4.49
<b>Villages</b>				
Brookville	38.29	-1.84	6.92	4.57
Clayton	40.55	-2.72	-5.19	-2.24
Phillipsburg	16.22	-15.16	-8.65	-4.66
Germanatown	20.27	22.68	-1.67	1.87
Farmersville	8.53	9.83	-1.89	5.90
New Lebanon	191.16	5.96	-3.95	3.01
Riverside	508.49	-6.41	-0.27	1.50

\*Township population data includes incorporated areas.

\*\*Excludes population of the Village of Carlisle.

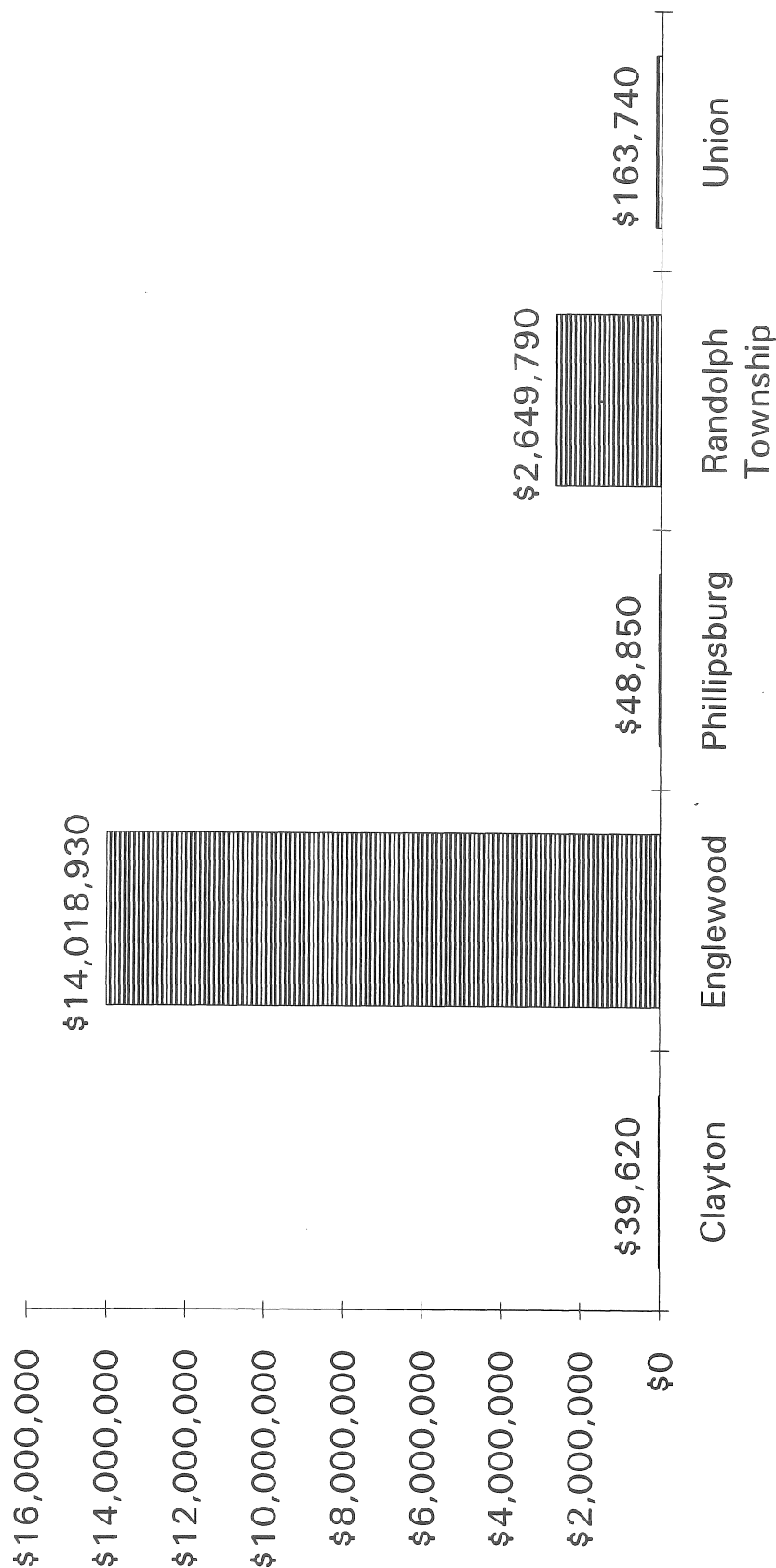


56.36%, respectively. The City of Miamisburg had the fastest growth in this category among the various cities, with a growth rate of 49.28%.

\* Finally, agricultural and residential property values have increased uniformly across Montgomery County. Northmont and Montgomery County have seen growth rates in A/R quite comparable to each other, at 41.74% and 39.95%, respectively.

These findings clearly present a disturbing dilemma for the future of the Northmont area if the Village of Clayton and unincorporated Randolph Township merge. Since 1989, the City of Englewood has accounted for 83% of the growth in Commercial and Industrial Property Valuation. Figure 2 lists the actual dollar breakdown of the roughly \$17 million in appreciation in C/I property values over the 1989-1995 period. This is a dramatic illustration of where the economic development is occurring in the Northmont area. A successful merger would end Englewood's ability to annex future lands, greatly inhibiting their long-term ability to attract commercial and industrial development. This is significant because business development diversifies the tax base, effectively reducing tax pressures on the agricultural and residential sectors and improving the economic well-being of the school district. It is a fact that the City of Englewood has accounted for virtually all of the economic development in the Northmont area in recent years, is the only entity with an experienced management staff dedicated to attracting new businesses to the area, and possesses the resources to rapidly extend utilities into undeveloped areas. Based on these factors, it is the conclusion of this study that the City of Englewood is the only community in the region with the resources to attract new business development.

**Figure 2**  
**Increase in the Valuation of Commercial & Industrial Real Property**  
**Values in the Northmont Area, 1989-1995**  
**(In Actual Dollars)**



### *A Model for Success: Huber Heights in the 1990's*

In our discussion with area developers and City officials throughout the Dayton area, a clear message emerged concerning the keys to attracting new businesses to an area. A city must have the ability to quickly extend water and sewer lines, as well as provide accessible roadways into an area before any major business development will occur. The perfect case in point is the experience of Huber Heights over the last ten years. In the early to middle 1980's, Huber Heights purchased large parcels of land up around the I-70, S.R. 235, in what has now become the "Centerpoint 70 Commerce Park." These 300 acres of undeveloped land were originally designated a Community Reinvestment Area (CRA), which brought with it tax breaks for businesses that decided to relocate there. Unfortunately, development in the area was stagnant until the early 1990's primarily because Huber Heights had not extended water and sewer lines into the area.

In the early 1990's, however, development in the area exploded when the City made the substantial financial commitment to extend utilities into the area, and more actively market the Park throughout the State. In addition, City officials concede that the increase in the City income tax from 1% to 1.75% in 1994 greatly reduced the financial strain on the City, enhancing its ability to fully fund the Commerce Park development program. The income tax increase had the added advantage of making Huber Heights more competitive for ED/GE grants by making the financial impact of a potential location on the City more dramatic, a key factor in winning a grant. The results have been spectacular. The City has seen the value of its commercial and industrial property base increase 53.64% from 1989-1995, the third highest growth rate

in Montgomery County. By committing substantial financial resources up front, Huber Heights was able to attract end users much more easily. This in turn made the City far more competitive for ED/GE grants which was essential for rapid extension of services. From 1992-1995, Huber Heights was awarded \$1.2 million in ED/GE grants specifically for developing the Commerce Park. Officials in Huber Heights understand what it takes to attract new businesses to a city, namely a complete financial commitment to development an area through the rapid extension of utilities, active pursuit of ED/GE grants, and an aggressive plan to market the City to developers throughout the State. A city that lacks the capacity to extend utilities, improve its roads, and attract end users will not be competitive in attracting new business development.

An excellent illustration of this point can be made with the case of Fukuvi USA Corporation, which will locate in Huber Heights in 1997. Originally, the Japanese-owned Fukuvi had planned to locate in the City Greenville, but balked on the plan when Greenville was unable to meet a deadline to extend utilities by January 1997. Huber Heights won the location bid, and with it several high paying jobs and a more diverse tax base. It seems almost inconceivable how the new city can compete for new business development without budgeting substantially more monies than it has for community development, an issue that will be explored more closely in a later section.

### III. THE TEN CITY COST STUDY

#### *Objective of Study*

The purpose of this analysis is to establish a cost standard for providing city services against which the Merger Commission projected expenditures can be compared for each service category. The standard does not imply that the new city should spend at the same level as established cities in the Dayton region. However, the standard does provide a benchmark for assessing the adequacy of the Merger Commission expenditure plans in meeting the needs of an emerging new city in the Dayton region. The cities chosen for the study are: Fairborn, West Carrollton, Huber Heights, Piqua, Troy, Beavercreek, Trotwood, Vandalia, Englewood, and Kettering. These cities were chosen based on one or more of the following criteria:

1. Demographic similarities of the prospective cities in comparison to the proposed new city resulting from the merging of the Village of Clayton and unincorporated Randolph Township. Factors considered included: population, city area, miles of roads, crime rates, level of urbanization, and level of industrial development.
2. Proximity of the city (cities) to Randolph Township;
3. Similarities in the level of services provided by the various cities.

With the exception of Kettering, all cities have populations of forty thousand or less. All of the cities are suburban in nature, with most bordering the City of Dayton and encompassing Montgomery or Greene Counties. The cities of Troy and Piqua are somewhat removed from the other cities in this respect, but

their selection here is still consistent with the objective of studying cities that are essentially similar in nature to the proposed new city. Trotwood was included in the study because of its proximity to Randolph Township and the fact that it merged with Madison Township effective January 1, 1996.

### *Description of City Functions*

A total of ten city functions were studied, including police protection, fire protection, community development, refuse collection, street lighting, street maintenance, water system maintenance, sewer system maintenance, recreation expenditures, and general government. These ten functions represent most of the ongoing expenses a city must account for in its budget. The following is a more detailed description of each city function.

Police Protection is a category that includes all operational costs for providing police protection to the city residents. This Includes salaries, personnel and administrative costs, pension fund contributions, and other ongoing costs. It does not include capital improvements, debt servicing, or other non-operational costs. Fire Protection covers the operational costs for providing fire and emergency medical services (EMS) to city residents. In some cities, such as Beavercreek and Trotwood, fire protection is provided for at the township level. In such cases, annual contributions by city residents to the township funds were used when the data was available.

Community Development is a very important category that covers many functions. Expenditures here involve the costs for providing zoning and inspection services, planning, and economic development for the city, and other related functions. Expenditures on community development can be seen both as a measure of the level of commercial and industrial development for

the city as well as its commitment to supporting future development in this area.

Refuse Collection accounts for the city expenditures on providing for refuse and leaf collection, focusing on operation and maintenance costs only. Certain cities like Huber Heights, Beavercreek, and Kettering do not provide these services, leaving it up to individual citizens to contract directly with private collectors.

Street Lighting covers the cost for maintaining street lights that are the responsibility of the city to either maintain directly, or reimburse the contractor through its budget. Most of the cities studied here contracted at least in part with Dayton Power & Light in the upkeep of street lights. The expenditures summarized include any reimbursements by the city(s) to DP&L, and exclude those street lights whose maintenance is paid for through assessments to property owners.

Street Maintenance estimates the cost of maintaining streets within the jurisdiction of the city. This category excludes all major improvements, debt servicing, and other costs that would not be regarded as typical ongoing costs to maintain a city's streets. These costs can vary substantially, since the conditions of the streets of the various cities vary significantly. In addition, not all cities compile their cost data on street maintenance in the same way, leading to additional variation in the cost numbers.

Water system maintenance is a category that covers the costs for providing water services to city residents. This excludes the capital costs for extending lines into a jurisdiction, which in most cases are many times larger than the operational costs. In the instances when the county provides the services to the municipality, that city was dropped from the sample in this category.

Sewer system maintenance expenditures cover the costs for providing sanitary sewer and storm sewer services to the city, excluding capital costs and debt servicing.

Recreation expenditures represent the cost to the city for maintaining its recreational services. Expenditures vary substantially here since each city has significantly different levels of recreational activities available to its citizens. In addition, some cities have used enterprise funds to operate certain activities like the Hobart Arena in Troy, where significant revenues are generated from sources outside the municipality. Thus, not all of the expenditures described here are *costs* to the city and its residents.

General Government is a city function that represents one of the largest city expenditures, covering personnel and salary costs as well as maintenance costs for city facilities, excluding capital improvements.

### ***Sources of Data and Related Issues***

Sources used for the compilation of the data include: the Comprehensive Annual Financial Reports (CAFRs) of each of the cities; the Montgomery and Greene County Auditors Offices, Dayton Power & Light, Randolph Township, Beavercreek Township, and the Finance Departments of each of the cities.

The examination of city expenditures relied most heavily on the CAFRs of the ten cities. There is some variations in the way the financial data is reported in the reports. For example, some cities have a general category called *public safety*, which includes police and fire protection and possibly street lighting, while other cities will have separate entries for each. In addition, some services may be funded from multiple funds. There are



typically four fund types cited in a CAFR: the general fund, special revenue funds, enterprise funds, and capital improvement funds.

The general fund describes spending on most of the ongoing services a city provides, including public safety, general government, community development, refuse collection, recreation, and health services. For example, public safety is a category that includes three key city functions: fire protection, police protection, and street lighting, although some cities exclude street lighting from this category. In addition, some cities will account for all or part of its expenditures on street maintenance in the general fund. General government covers salary and administrative costs for a city's key departments, including: the Office of the City Manager, Finance Department, Legal Department, City Engineer, and other key functions. It may also include the cost of maintaining administrative buildings. Recreation expenditures usually account for the cost of basic upkeep of parks and community centers, although many cities will have special revenue and/or enterprise funds for more costly recreation activities like golf courses or arenas.

Special revenue funds are tied to specific levies to fund specific city services. The city is legally constrained from spending these monies on any activity other than what was approved by the voters. Typical services covered by such funds include fire and police protection, road improvements, and certain recreation activities.

Enterprise funds are financed by user fees and assessments for specific city "business" functions, primarily water and sewer services. These funds are designed to be self-sustaining and represent an excellent measure of the cost of providing the specific service to the residents of a city.

Capital improvement funds are usually linked to specific levies that are designed to improve the infrastructure of a city. In this study, capital

improvement funds were not included in the ongoing costs of providing city services.

The data compiled on city costs was derived almost entirely from the CAFRs of the cities studied. The costs derived were based on expenditures from the general fund, special revenue and enterprise funds. Demographic information was gathered both from the CAFRs and directly from the cities when necessary.

### *Measurement Issues and Excluded Data*

When determining the best estimate of the average expenditures of the ten cities by function, the median was used in all categories rather than the mean. The median average tended to more accurately reflect the typical costs for most of the cities, particularly those categories with widely divergent expenditures between cities, such as road maintenance and general government.

Although it is the intention of this study to exclude certain costs such as capital improvements and debt servicing, there are instances when this is simply not feasible. For example, in the case of the category *road maintenance*, differentiating between a capital improvement and basic maintenance and upkeep can be quite difficult, since some cities do not completely separate basic upkeep from road improvements. What can be easily excluded are the extremely costly road improvements that are cited by name in the introduction of most CAFRs, and may even be funded by a single special revenue fund. For the cities studied here, road maintenance costs per-street mile varied significantly, falling in the range of \$8,000-26,000, although most cities spent between \$10,000-15,000 per-street mile.. Thus, the possibility that some capital improvement costs have been included in the numbers does exist.

Nevertheless, the average per street mile cost of \$13,824 is not unreasonable based on information obtained from other sources. For example, the City of Trotwood used an estimate of \$14,000 per street mile in its calculations for the cost of maintaining 38 additional road miles as a result of its merger with Madison Township.

The City of Moraine was briefly examined but eventually dropped from the study because of its heavily industrialized job base, which resulted in substantially higher unit costs for most services in relation to the other cities. For example, Moraine spent \$473 on police protection per capita and \$377 per capita on fire protection, which was nearly four times higher than the median of the ten cities examined. Its expenditures are included in the tables for reference only. Dayton was not studied due to its size, both in area and population, and other factors including higher crime rates and the degree of urbanization compared with the studied cities.

Beavercreek and Kettering receive water and sewer services from Greene and Montgomery counties, respectively, whose citizens are assessed monthly on their property tax bills. Rather than estimate the county revenues for providing water and sewer services, the two cities were dropped from the study in these two categories. Water expenditures among the other cities averaged \$18,690 per water main mile, while sewer expenditures averaged \$23,383.

In Trotwood, fire service expenditures were not available. No estimates were used, and Trotwood was excluded from this category. For the city function of refuse collection, the source of funding for the function was key to determining whether or not a city was included in the comparison. Refuse collection is a service that can be provided to residents of a city in one of three ways: (1) the city can provide the service directly; (2) the city can contract with one or more private companies and reimburse them either out of the general

fund or through special assessments to property owners; or (3) the individual citizen can contract with a refuse collector directly. In this study, only those cities that provide refuse collection services directly or through contractual arrangement were compared. This excluded the cities of Huber Heights, Beavercreek, and Kettering from this category.

A number of exclusions were made in the comparison of the proposed budget of the Merger Commission put forth on May 7 and the Ten City averages. Funding of the city functions of refuse collection, street lighting, and water and sewer services are not provided for by the merger commission. Although these functions are important services, many of which will have to be addressed eventually by the new city, they do not represent a cost to the new city at present. The following is a brief summary of these services and an explanation for their exclusion from the comparison.

*Refuse collection:* The merger commission has proposed to begin providing this service to the residents of the new city beginning in 1999. Currently, the citizens living in the unincorporated area of the Township and Village of Clayton are contracting directly through private collectors. Thus, the new city can defer this cost until that time, and the comparison between the ten city median expenditure and their zero dollar outlay was not made.

*Water and sewer services:* This key function was also excluded from the comparison. At this time, Englewood provides water to a small area in the vicinity of S.R. 48 and I-70 known as Cedar Knolls, and Montgomery County is providing water and sewer services to some citizens in the southern part of the Township, while the majority of the citizens in the Township and Clayton are on private wells and leach fields. As a result, these two functions were dropped from the city cost analysis. Of course, this is not to say that water and sewer services are not important issues; they are key to the long-term growth of

the new city. The exclusion of water and sewer services in this comparison is simply a recognition of the fact that ongoing service costs are not applicable in cases where the infrastructure does not exist for the city to provide the service. These figures do, however, represent an excellent measure of what the future costs would be in today's dollars for maintaining these services should the new city undertake any new development.

*Street lighting:* Finally, we excluded street lighting from the comparison because citizens in the Township and Village are assessed directly by Dayton Power & Light. It was also determined that the maintenance costs for the 39.5 miles of roads that the new city will acquire primarily from Montgomery County are assessed in the same fashion.

### ***Findings and Conclusions***

It is clear from this study that the ten cities share remarkably similar expenditure patterns on many city functions. Table 3 presents total expenditures by city function for each of the ten cities. Here, the total expenditures on the selected city services for the ten cities fell within a broad range, from a low of \$3.8 million for the City of Trotwood to a high of \$34.7 million for the City of Kettering. Figure 3 compares the proposed 1996 budget by the Merger Commission with the ten city low and median budgets. These numbers were derived by taking the low and median per capita total expenditures among the ten cities, and multiplying them by the estimated population of the new city. Consistently, the combined expenditures on police and fire protection services accounted for the largest ongoing city expense, accounting for between twenty five percent (Vandalia) and fifty eight percent (Beavercreek) of total expenditures on ongoing services. Table 3 also lists the

**Table 3 Total Expenditures in 1995 by City Function**

	Fairborn	W. Carrollton	Huber Hts.	Piqua*	Troy	Beavercreek	Trotwood*
Population:	31,469	14,551	40,045	20,612	19,479	33,626	8,928
Service							
Police	\$3,643,200	\$2,108,658	\$3,656,631	\$2,665,939	\$2,525,968	\$3,671,560	\$1,551,723
Fire	\$3,097,240	\$819,599	\$3,239,438	\$1,974,236	\$2,658,896	\$3,145,000	n/a(4)
Public Works							
Community Development	\$964,231	\$245,035	\$522,813	\$673,858	\$457,687	\$283,073	\$215,094
Refuse Collection	\$1,360,554	\$405,422	n/a(1)	\$1,041,430	\$817,697	n/a(1)	\$246,594
Street Lighting	\$291,776	\$183,131	\$397,887	\$11,785 (2)	\$337,909	\$74,039	n/a(5)
Street Maintenance	\$874,827	\$896,411	\$1,302,519	\$1,216,188	\$1,352,277	\$2,310,629	\$471,497
Water	\$1,496,585	\$540,072	\$668,244	\$1,812,948	\$2,708,355	n/a(3)	\$778,244
Sewer	\$1,858,999	\$613,729	\$1,915,542	\$2,034,468	\$2,502,476	n/a(3)	\$746,554
Recreation	\$150,088	\$603,461	\$217,581	\$784,355	\$1,148,935	\$550,180	\$284,546
General Government	\$4,247,819	\$1,550,500	\$1,773,100	\$968,591	\$1,711,003	\$1,575,812	\$512,922
Total Service							
EXPENDITURES	\$17,985,319	\$7,966,018	\$13,693,755	\$13,172,013	\$16,221,203	\$11,610,293	\$4,807,174
Total per capita	\$572	\$547	\$342	\$639	\$833	\$345	\$538

(1) Refuse collection services not provided by this City.

(2) Piqua has their own electric power plant, accounting for low street lighting cost. The county equivalent for servicing Piqua =

(3) Water and sewer services provided by Greene County.

(4) Pre-merger fire services were provided by Madison Township.

(5) Expenditures on street lights not available for this city.

\$341,570

**Table 3 Total Expenditures in 1995 by City Function cont'**

	Vandalia	Englewood	Kettering	Moraine(3)
Population:	14,472	11,915	60,657	6,078
Police				
Fire	\$2,626,083	\$1,400,000	\$7,792,647	\$2,878,598
Public Works	\$714,795	\$463,416	\$4,512,232	\$2,295,186
Community Development	\$492,410	\$280,000	\$1,996,111	\$188,882
Refuse Collection	\$778,722	\$559,700	n/a(1)	\$276,106
Street Lighting	\$159,508	\$216,000	\$459,171	\$211,153
Street Maintenance	\$690,904	\$762,334	\$6,382,086	\$1,300,665
Water	\$1,306,512	\$715,000	n/a(2)	n/a(2)
Sewer	\$1,384,771	\$801,000	n/a(2)	n/a(2)
Recreation	\$2,557,845	\$181,827	\$7,027,900	\$545,384
General Government	\$3,219,193	\$615,208	\$6,591,182	\$1,678,003
TOTAL SERVICE				
EXPENDITURES	\$13,930,743	\$5,994,485	\$34,761,329	\$9,373,977
Per Capita	\$963	\$503	\$573	\$1,542

(1) Refuse collection services not provided by this city.

(2) Water and sewer services provided at County level.

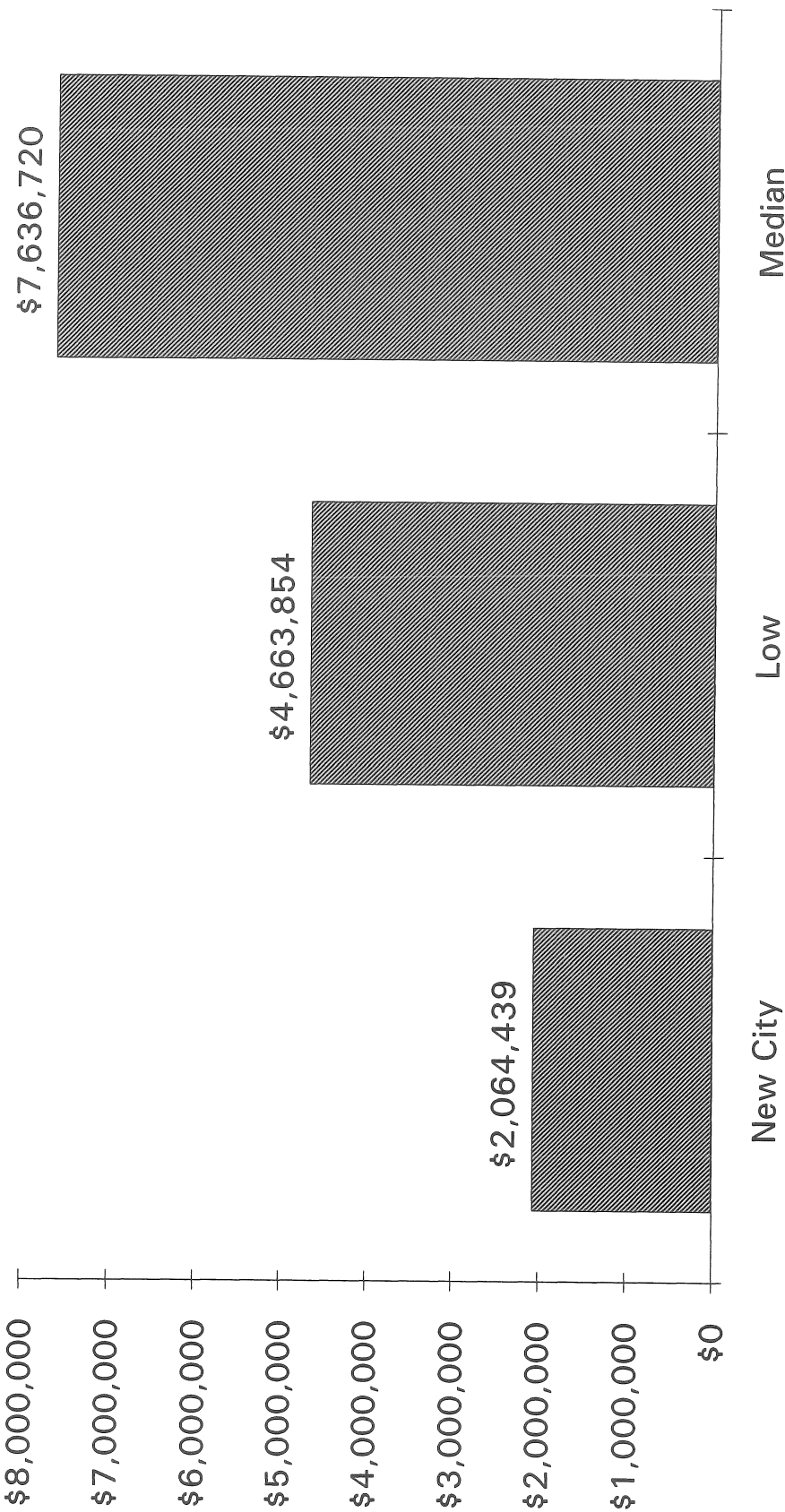
(3) Moraine was not used in this study, although its expenditures are included here for reference only.

total expenditures on a per capita basis. The City of Huber Heights represents the sample low, with \$342 in total expenditures per capita. The City of Vandalia's \$963 per capita expenditure was the high of the sample, with the City of Troy's \$833 per capita total expenditure also quite high in relation to the other cities studied. In fact, six of the ten cities had quite similar total expenditures on a per capita basis. The cities of Fairborn, West Carrollton, Piqua, Trotwood, Englewood, and Kettering spent between \$503 and \$639 per capita. This is a general indication that the sample cities, taken as a group, have similar expenditure levels.

The similarities of the cities becomes more striking when viewing the individual city functions on a per unit basis. Table 4 measures the unit expenditures per city function. The unit measure provides a basis for the comparison of the cost data for each city. Most of the services are converted to a per capita expenditure basis, including police services, fire services, community development, refuse collection, recreation, and general government, and recreation. Street lighting expenditures are expressed on a per-street light basis, while street maintenance expenditures are described on a per-center line road mile basis. Expenditures on the maintenance and upkeep of the water services were quoted per miles of water main, and sewer services are expressed on a per miles of sanitary sewer main line. Table 4 illustrates how remarkably similar the various cities' per unit expenditures were on many services, and how closely the City of Englewood's unit expenditures compare with the typical spending levels of the other cities. For example, five of the ten cities spent on a per capita basis between \$116-\$130 on police protection in 1995. The low city for police protection services is Kettering which only spent \$91 per capita. Englewood spent \$117 on police protection in 1995.



**Figure 3 New City, Low, and Median  
Total Expenditures  
(Projected Budgets for New City)**



**Table 4 Unit Breakdown of City Expenditures by Function**

Service	Fairborn	W. Carrollton	Huber Hts.	Piqua	Troy	Beavercreek	Trotwood
Population:	31,469	14,551	40,045	20,612	19,479	33,626	8,928
Police: per capita	\$116	\$145	\$91	\$129	\$130	\$109	\$174
Fire: per capita	\$98	\$56	\$81	\$96	\$137	\$94	n/a(3)
Public Works							
Community Development	\$31	\$17	\$13	\$33	\$23	\$8	\$24
Refuse Collection: p.c.	\$43	\$28	n/a(1)	\$51	\$42	n/a(1)	\$28
Street Lighting per # lights	\$156	\$193	\$192	\$138	\$169	\$143	n/a(4)
Street Maint per street mile	\$7,791	\$14,792	\$7,864	\$17,885	\$14,715	\$10,517	\$13,786
Water/miles water main	\$13,014	\$16,366	\$4,921	\$18,690	\$24,572	n/a(2)	\$22,623
Sewer/mi. of sanitary sewer	\$15,492	\$16,151	\$14,647	\$22,605	\$24,197	n/a(2)	\$24,160
Recreation per capita	\$5	\$41	\$5	\$38	\$59	\$16	\$32
General Government p. c.	\$135	\$107	\$44	\$47	\$88	\$47	\$57

(1) Refuse collection services not provided by this city.

(2) Water and sewer services provided at County level.

(3) Pre-merger fire services provided by Madison Township.

(4) Expenditures on street lighting not available.

**Table 4 Unit Breakdown of Expenditures by City Function cont'**

	Vandalia	Englewood	Kettering	Moraine(4)
Population:	14,472	11,276	60,657	6,078
Services				
Police: per capita	\$181	\$117	\$128	\$474
Fire: per capita	\$49	n/a(1)	\$74	\$378
Public Works				
Community Development p.c.	\$34	\$23	\$33	\$31
Refuse Collection: p.c.	\$54	\$47	n/a(2)	\$45
Street Lighting per # lights	\$145	\$209	\$164	\$212
Street Maint per street mile	\$9,596	\$13,861	\$26,328	\$13,387
Water/miles water main	\$20,100	\$16,628	n/a(3)	n/a(3)
Sewer/mi. of sanitary sewer	\$24,728	\$25,839	n/a(3)	n/a(3)
Recreation per capita	\$177	\$15	\$116	\$90
General Government per capita	\$222	\$52	\$109	\$276

(1) Fire protection services provided by Randolph Township.

(2) Refuse collection services not provided by this city.

(3) Water and sewer services provided at County level.

(4) Moraine is included here for reference only. Street miles: 97.16, Street lights: 998.

the city as well as its commitment to supporting future development in this area.

Refuse Collection accounts for the city expenditures on providing for refuse and leaf collection, focusing on operation and maintenance costs only. Certain cities like Huber Heights, Beavercreek, and Kettering do not provide these services, leaving it up to individual citizens to contract directly with private collectors.

Street Lighting covers the cost for maintaining street lights that are the responsibility of the city to either maintain directly, or reimburse the contractor through its budget. Most of the cities studied here contracted at least in part with Dayton Power & Light in the upkeep of street lights. The expenditures summarized include any reimbursements by the city(s) to DP&L, and exclude those street lights whose maintenance is paid for through assessments to property owners.

Street Maintenance estimates the cost of maintaining streets within the jurisdiction of the city. This category excludes all major improvements, debt servicing, and other costs that would not be regarded as typical ongoing costs to maintain a city's streets. These costs can vary substantially, since the conditions of the streets of the various cities vary significantly. In addition, not all cities compile their cost data on street maintenance in the same way, leading to additional variation in the cost numbers.

Water system maintenance is a category that covers the costs for providing water services to city residents. This excludes the capital costs for extending lines into a jurisdiction, which in most cases are many times larger than the operational costs. In the instances when the county provides the services to the municipality, that city was dropped from the sample in this category.

In the case of road maintenance, expenditure levels were a bit more divergent among the ten cities, although several cities did display similar expenditure levels. The cities of West Carrollton, Troy, Trotwood, and Englewood had remarkably similar expenditure levels on street maintenance, spending between \$13,786 and \$14,792 per street mile. The median expenditure was \$13,824, a figure that is quite close to the per unit expenditures of several cities, particularly Englewood. On the low end, the cities of Huber Heights and Fairborn spent \$7,861 and \$7,791, respectively. However, it should be noted that both cities had substantial expenditures on capital projects to improve their roads, figures that are excluded from this study.

One surprising figure is the variation in the expenditure levels on general government. On the high end, Vandalia spent \$222 per capita, a figure far higher than the median expenditure of \$73 or the expenditure level of the next highest city, Fairborn, at \$135. Two possible sources of Vandalia's high expenditures on general government are the Dayton International Airport, and the Vandalia Municipal Courts. When determining the average expenditure on general government, it became quite clear that median was more applicable than the mean, primarily because of the Vandalia figure which tended to upwardly skew the mean. Meanwhile, five cities had very similar per capita expenditures on general government, spending between \$31-\$57 per capita. These cities include Huber Heights, Piqua, Beavercreek, Trotwood, and Englewood.

Community development expenditures among the ten cities were perhaps the most similar of any of the ten categories, with eight of the ten cities spending between \$17-\$34 per capita in 1995. For a municipality the size of

the proposed new city, which would have an estimated population of 13,637, this would translate to a budget range of \$231,829 to \$463,358. The low city, Beavercreek, had a per capita expenditure of \$8, which translates into a budget of \$109,096 for a city with a population equivalent to that of the new city.

The other functions displayed similar results. For refuse collection, five of the seven cities had expenditures between \$42-\$54 per capita. This was not unsurprising, since the private sector plays a significant role in this category, with many cities opting to contract with private collectors, leading to greater uniformity of expenditures. Police protection service expenditures were also quite similar, with six of the ten cities having per capita expenditure levels between \$109 and \$130. The median expenditure was \$129, while the city of Englewood spent \$117 per capita on police expenditures in 1995. These numbers suggest that a city with a population of 13,637 should expect to spend somewhere between \$1.4 and \$1.7 million on police protection services, assuming that this city has similar crime rates, area in square miles, and other factors to these ten cities.

For fire protection services, two cities had significantly lower expenditure per capita than the remaining cities. West Carrollton had per capita expenditures of \$56, while Vandalia had \$49. These numbers were significantly below the levels of five of the remaining six cities, which had expenditures ranging between \$74 and \$98. There does not appear to be an obvious reason for this discrepancy other than the fact that each city had a population of around 14,500, whereas the lowest population among the remaining cities was Piqua at 20,612. Yet there is no evidence among the remaining six cities of a definitive positive relationship between population and average costs. The two cities with the highest population levels, Kettering and Huber Heights, had per capita expenditures on fire protection of \$74 and \$81,

while Troy, with a population of 19,479, spent \$137 per capita on this function in 1995.

A second unit measure, population density, was tested to see if there was any evidence of higher expenditures for cities with higher populations. Based on the data collected on these ten cities, there is no evidence to support this. The population densities of West Carrollton and Vandalia are quite dissimilar, with West Carrollton having a population density of 2,273 residents per square mile while Vandalia has only 1,231 residents per square mile. Thus, the only conclusion that can be drawn is that there is no evidence from this study that expenditures on fire protection services are positively related to population size for the cities selected here.

The unit expenditures on water services presented by far the most divergent data set of any of the other functions studied. Of the seven cities examined for this function, four of the seven had expenditures per miles of water main of between \$16,366-\$20,100. The typical city in this study had around 90 miles of water mains to service, which would suggest a budget of \$1.4-\$1.8 million, a quite wide range. Possible sources of this wide variation could be such factors as the size of the lines used by the various cities, the age of the lines, or possible inaccuracies in the estimates of the miles of lines themselves by the cities. These issues aside, the median of the seven city expenditures on water is \$18,690.

Expenditures on the sewer system produced two distinct groupings. On the low end, the cities of Fairborn, West Carrollton, and Huber Heights had expenditures of \$15,492, \$16,151, and \$14,647. Meanwhile, the cities of Piqua, Troy, Trotwood, Vandalia, and Englewood reported much higher, but quite uniform expenditure levels of between \$22,605-\$24,728 per miles of sanitary sewer lines. The fact that these two groups are quite uniform seems to

discount the possibility of an error in the data, yet one is struck by this divergence. The cities within these two groups do not appear to share any characteristics exclusive of the others. Further study is needed to determine the source of this

Finally, expenditures on recreation was quite divergent as expected, reflecting the fact that these communities have significantly differently levels of amenities. There was also some evidence that per capita expenditures on this function were lower for higher populated cities in this study. Vandalia, with a per capita expenditure of \$177, was by far the highest in this category, offers its 14,472 citizens a golf course, eight parks, one swimming pool, and ten well maintained tennis courts. In contrast, the City of Fairborn had the lowest per capita expenditure of \$5, offering its 31,469 citizens the use of 13 parks and fourteen tennis courts. Three of the four cities with populations greater than thirty thousand had per unit expenditures of \$16 or less, while three of the four cities with a population less than fifteen thousand had expenditures of \$32 or more. To test the hypothesis that per capita costs are negatively related to population, a regression analysis using more cities to account for quality differences would need to be conducted.

This ten city analysis provides a solid foundation for the comparison of the expenditures on city functions among suburban cities with similar characteristics. In eight of the ten city functions studied, the per unit expenditure levels were remarkably similar for most of the cities. Only in the categories of water services and recreation expenditures was there a wide divergence among the cities. Nonetheless, the use of the median as the average expenditure successfully minimizes the potential problems that arise from such differences, representing a solid estimate of the expenditures on the function.



#### IV. CRITIQUE OF THE MERGER COMMISSION'S PROPOSED EXPENDITURES

##### *Introduction*

On May 7, 1996, the Merger Commission released its Preliminary Report that laid out its proposed budget for the fictional fiscal year of 1996. A copy of this report is included in Appendix B. This analysis will critique the proposed expenditures put forth by the Merger Commission by comparing the proposed budget of 1996 with the actual expenditures by the Village of Clayton and the Township in 1995, and attempt to infer a rationale for the changes in the budget. In addition, this analysis compares the median, high, and low unit costs of providing selected city services of the ten cities with the proposed expenditures of the new city to provide further evidence that the new city would significantly underfund select city services under the proposals laid forth by the Merger Commission. **This comparison is not intended to be a definitive statement on the specific costs the new city will incur in providing these services.** Instead, the analysis is meant to establish a standard for expenditures on select city functions by similar municipalities around the Dayton area and how the standards compare to the new city budget as proposed by the Merger Commission.

In Table 5, the Merger Commission's proposed expenditures are compared with the 1995 high, low, and median unit expenditures of the ten cities by function. Englewood's per-unit expenditures are included as well. What is clear from this analysis is that the proposed 1996 budget of the new city falls well below the expenditure levels of the other cities studied.

Table 5

Per Unit Cost Comparison by City Service of Ten  
Cities, Englewood, and New City Proposal

Service	Low (City)	Median/ (City)	High/ (City)	Englewood	RT/Clayton New City
Police, p.c.*	\$ 91 <sup>1</sup>	\$ 129	\$ 181 <sup>2</sup>	\$117	\$ 66
Fire, p.c.	49 <sup>2</sup>	87	137 <sup>10</sup>	n/a	n/a
Community Development, p.c.	8 <sup>3</sup>	24	34 <sup>2</sup>	23	3
Refuse Collection, p.c.	28 <sup>4</sup>	44	54 <sup>2</sup>	47	n/a
Street Lighting, per street light	138 <sup>5</sup>	164	209 <sup>9</sup>	209	n/a
Street Maintenance, per street mile	7,791 <sup>6</sup>	13,824	26,328 <sup>7</sup>	13,861	6,265
Water, per main line mile	13,014 <sup>6</sup>	18,690	24,572 <sup>10</sup>	16,628	n/a
Sewer, per main line mile	14,647 <sup>7</sup>	23,383	25,839 <sup>9</sup>	25,839	n/a
Recreation, p.c.	5 <sup>6</sup>	35	177 <sup>2</sup>	15	1
General Government, p.c.	44 <sup>1</sup>	73	222 <sup>2</sup>	52	37

\* Per capita

<sup>1</sup>Huber Heights

<sup>2</sup>Vandalia

<sup>3</sup>Beavercreek

<sup>4</sup>West Carrollton

<sup>5</sup>Piqua

<sup>6</sup>Fairborn

<sup>7</sup>Kettering

<sup>8</sup>Trotwood

<sup>9</sup>Englewood

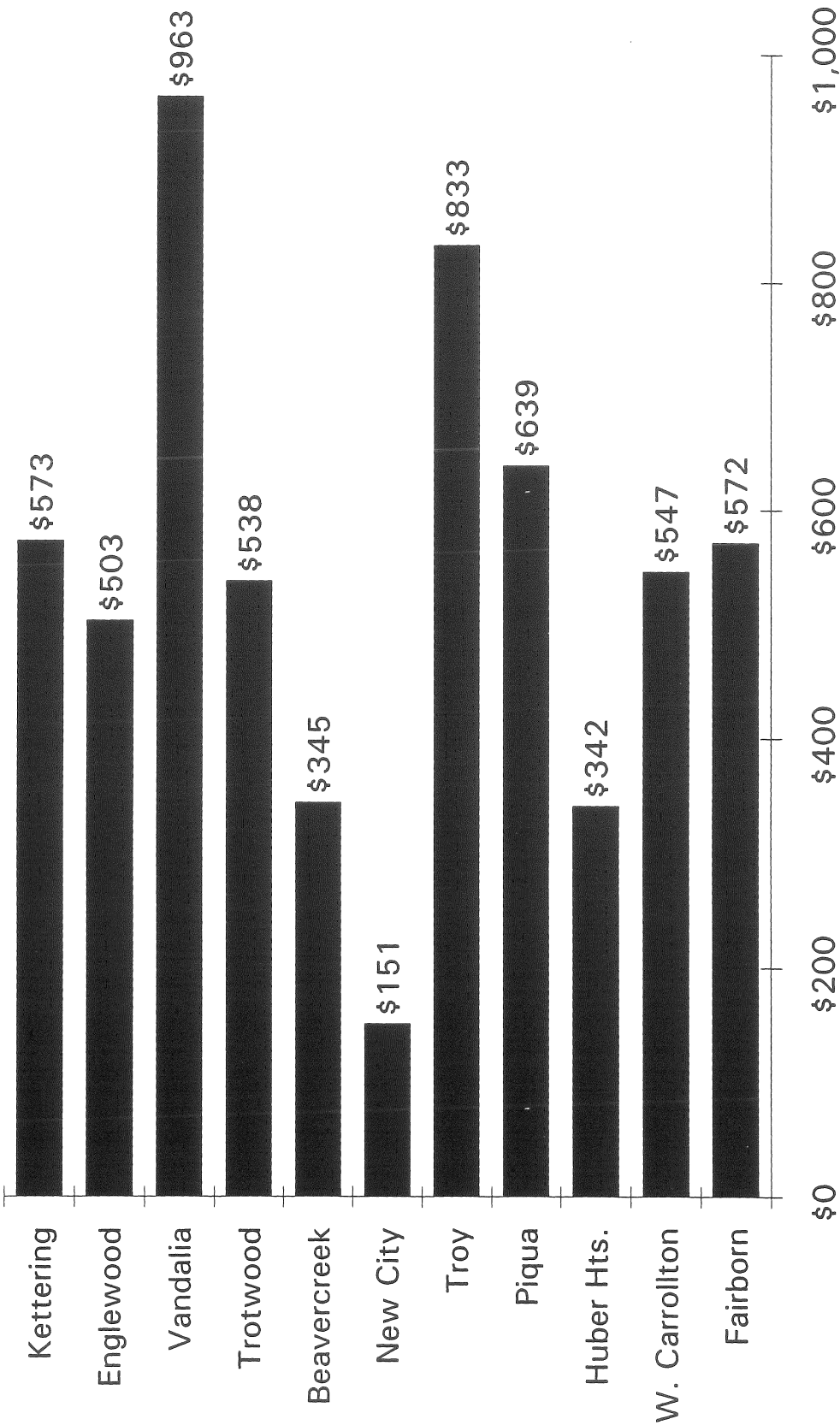
<sup>10</sup>Troy

In sharp contrast, the new city has proposed a budget that is substantially lower than the ten cities listed here. In Figure 4, the total expenditures per capita of each of then ten cities are contrasted with the new city total budget per capita of \$151, an amount that is significantly lower than any other city.

A second interesting point is that the City of Englewood appears to provide service levels quite consistent with the median in most categories, and actually spends the most in street lighting and sewer services. In contrast, the new city falls well below the Englewood standard. In fact, the budget proposed by the Merger Commission places its per-unit expenditures well below any city studied in *every* category examined. For example, under community development, the Merger Commission is proposing to allocate \$3 per capita, well below the Englewood rate of \$23, the median rate of \$24, and the ten city low of \$8 set by Beavercreek. It is clear from this analysis that the expenditure levels proposed by the Merger Commission would place the new city well below the levels of similar cities in the area.

The Merger Commission's expenditure analysis for the new city is based upon the static assumption that prior service levels will be maintained. Such an analysis assumes that (1) it is desirable and feasible for a municipality to provide township-like service levels, where expenditures on such services as police protection, road maintenance, and economic development are substantially lower than those of other cities; (2) that revenue projections are such that these minimal levels of service can be maintained currently and over time; and (3) inflationary affects on budgets in out years can be ignored. In certain key functions, such as road maintenance, community development, police protection, and general government, such an analysis is fatally

**Figure 4 Total Expenditures Per Capita**



flawed. The following is a brief summary on the key service areas and an analysis of the adequacy of the Merger Commission's proposed expenditure budget for each of the service areas:

### ***Road Maintenance***

In Table 6, the proposed 1996 expenditures on road maintenance are listed according to the May 7 Preliminary Report. The Merger Commission's estimates that \$620,931 is a sufficient outlay to cover all costs associated with maintaining the 99.11 center line road miles that will be under the jurisdiction of the new city, including

**Table 6 Proposed Expenditures on Road Maintenance in the May 7 Preliminary Report**

Expense Category	Clayton/ Randolph	New Town Total
Road Supervisor	\$42,571	\$37,571
Personnel	50,760	85,760
Benefits	30,590	48,140
Equipment	30,000	50,300
Other	209,160	399,160
Total Road Related Expenses	\$363,082	\$620,931

capital outlays for additional equipment. A comparison with other cities in the area, however, suggests that this estimate may be too low. The Merger Commission's budget total for road maintenance represents an outlay of \$6,265 per center-line road mile; whereas, the ten city median per-unit expenditure is \$13,824. None of the ten cities in the comparative cost study spent less on road maintenance per center line mile than what has been proposed by the Merger Committee for the new city.

In sharp contrast to the Clayton-Randolph Merger Committee study, the Trotwood-Madison Township Merger Commission used \$14,000 per road mile in its proposed budget for road related expenses.

If we use the ten-city median expenditure of \$13,824 per center-line street mile as a standard and apply it to the proposed new city, the annual budget for road related expenses (excluding capital costs) would be \$1,370,097. The difference between the median maintenance budget and the budget proposed by the Merger Commission for road maintenance is \$749,166.

On the other hand, using the lowest of the ten-city's expenditures per-center-line road mile as the standard--the City of Fairborn with an expenditure of \$7,791 per road mile in this case-- the new city budget would total \$772,166. The estimated shortfall in the budget for the proposed new city that would be necessary to bring its road maintenance effort up to the lowest level is \$151,235.

Interestingly, the Merger Commission is budgeting for a \$5,000 decrease in expenditures on road supervision. It has factored in this reduction despite the fact that the road supervisor will be responsible for maintaining 66 percent more road miles.

1. Equipment Costs: The Merger Commission estimates the following equipment needs primarily to provide snow plowing services for the additional 39.5 new miles of roads previously serviced by Montgomery County:

<u>Type of Equipment</u>	<u>Expenditure/Cost</u>
One single-axle dump truck	\$17,500
Two tandem-axle dump trucks	60,000
Two vac tag-along units	100,000
Salt bin	<u>125,000</u>
Total capital cost	\$302,500

The cost estimates for the vac units and salt bin are accurate, but the cost estimates of purchasing and outfitting the three dump trucks are questionable. These cost estimates accurately reflect the purchase cost of the vehicles, but they appear to exclude the substantial outfitting costs essential for making the vehicles ready for plowing and salt spreading. In particular, the Commission's estimates appear not to include the additional cost of purchasing a central hydraulic system, dump body, salt spreader, and snow plow to equip the vehicles.

According to general estimates by Dever's Truck & Body, which services the City of Trotwood, the cost for installing the necessary accessories would be approximately \$25,000 for the single axle dump truck and \$30,000 for each of the tandem-axle dump trucks. In addition, costs may have to be budgeted for expanding maintenance and storage facilities for the additional vehicles and equipment.

Finally, the Merger Commission may have erred in amortizing capital equipment costs by ignoring interest charges. In its May 7 preliminary report,

the Merger Commission states under footnotes (13) and (15): "(13) additional trucks & equipment needed is amortized over ten years," and "(15) \$203,000 addn equipment includes 1 sa dump, 2 tandem dumps, & 1 addn salt bin." The Merger Commission estimated annual amortization costs of \$20,300 per year over a ten year period by using a straight line method without including interest expenses. If interest expenses are included at 8 percent per annum, the annual amortization costs would be \$30,253 per annum, or \$9,953 more than anticipated by the Merger Commission

In addition, the Merger Commission may have made a transposition error in footnote (15) which was carried over into the proposed capital equipment budget. The Merger Commission used \$203,000 as its principal amount in calculating its straight-line amortization calculation of \$20,300 per annum. If the budgeted capital equipment amount of \$302,500 presented in the May 7 preliminary report under FACILITIES AND SERVICE INVENTORIES is used to calculate amortization expenses, at an 8 percent interest rate, the annual principal and interest payment would be \$47,765. Unless the equipment cost discrepancy is accounted for in other areas of the proposed budgets, our estimates suggest that the Merger Commission may be under budgeting amortization costs by at about \$27,465. If an additional \$37,357 cost of outfitting the trucks and snow plows is added to the equipment costs, to correct for the transposition error, the amortization costs would be \$50,649 annually, or \$30,349 higher than budgeted by the Merger Commission.

## 2. Road Personnel

The Merger Commission believes that the only necessary changes to be made in the area of road personnel is to upgrade two of the Village of Clayton's



part-time employees to full-time status. Apparently the Merger Commission feels that this will be sufficient to maintain the extra 39.5 center line miles of roads formerly maintained by Montgomery County.

The proposed change does not appear to be adequate for the task the new city faces. The City of Trotwood hired three full-time personnel to cover the 38 center line miles of roads gained after its merger with Madison Township. This increased the number of personnel in the city maintenance department from 12 to 15, maintaining a service level of roughly one worker per ten road miles.

The road department for the new city will have five full-time and two part-time personnel. Assuming that two part-time workers are comparable to 1.5 full-time workers, the new city will provide coverage of one worker per 15.24 miles of roads. This would be an improvement over the pre-merger township level of one worker per 18 road miles, but it would still be well below the level of service other cities in the area provide. As a result, the level of service on the 39.5 road miles previously provided by Montgomery County will likely be less under new city management.

### 3. The "Other" Category

The Merger Commission budgeted a significant increase in expenditures for a category it vaguely refers to as "Other." Footnote (12) states: the "\$225,000 extra includes maintaining approximately 39.5 additional miles of road+ increase in mowing, parks, snow, striping & signals." It would have been helpful had the Commission itemized this category considering that it accounts for 87 percent of their projected increase in road maintenance costs.

### 4. Structural Repairs

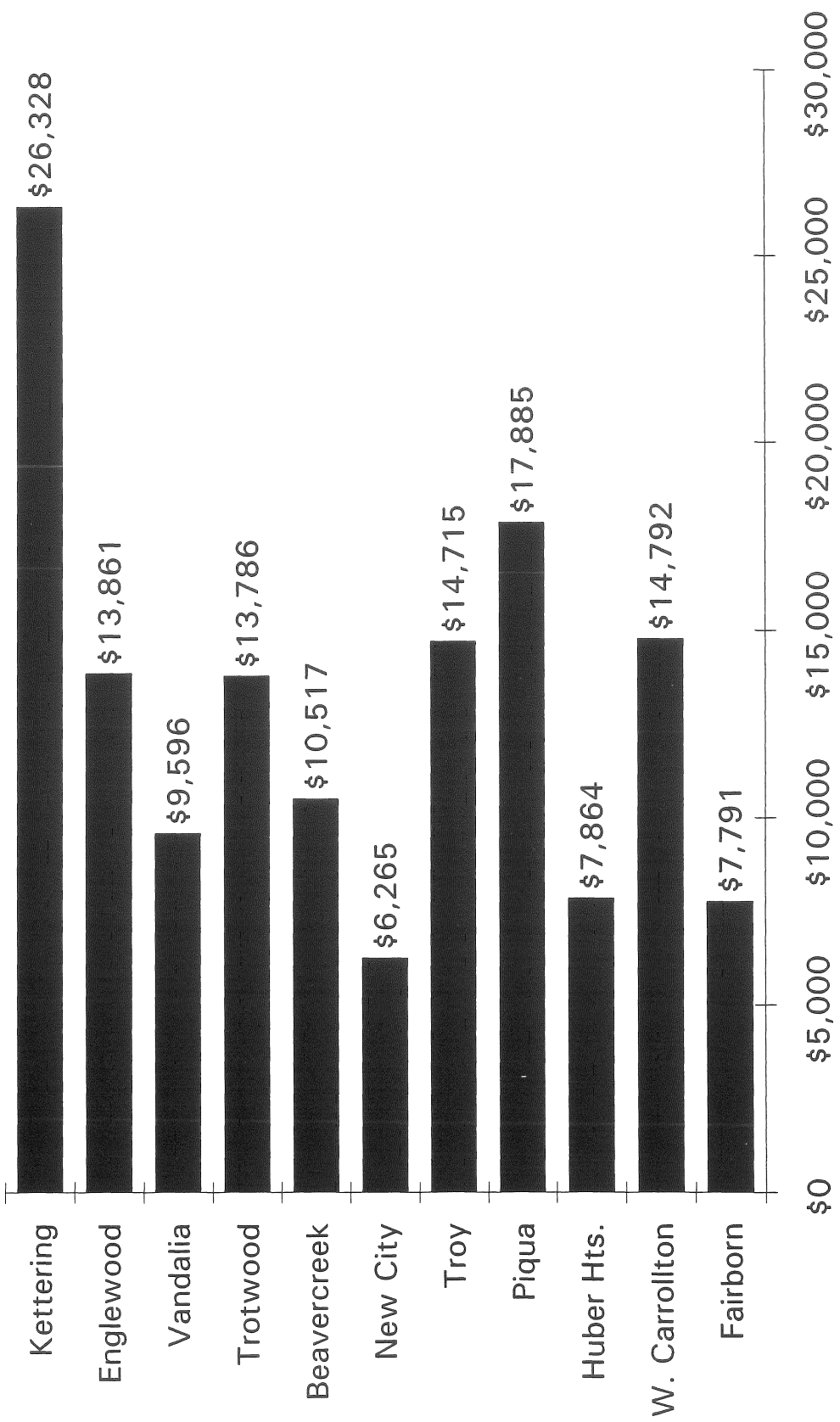
Another important factor in road maintenance costs is the initial structural condition of the roads. Many of the roads in Randolph Township are in need

of reconstruction work. In 1995, Randolph Township completed much needed reconstruction work on 2,100 l.f. of Garber Road. The four phases of this project cost a total of \$1.6 million dollars and were funded primarily by Issue 2 grants. The funding request to complete the fifth phase of the Garber Road project was recently placed on an indefinite hold by Montgomery County.

In 1992, a five-year road maintenance plan was drawn up for the Township. The five-year plan was designed to do what one area developer described as "putting a band-aid on a gunshot wound." Every source spoken to who is familiar with the road conditions in Randolph Township has stated unequivocally that serious road improvements need to be made to numerous roads in the township and must be addressed eventually.

Ideally, a city should attempt to reach a point where few if any of its roads require major reconstruction, so that all that is required is basic slurry and crack sealing and basic upkeep. The City of Englewood has successfully reached this level, where according to a Capital Improvement Report by the Ohio Public Works Commission, only 4.2 center line miles of roads were classified as poor, while 45 center line miles were classified as either good or excellent. Englewood is under a comprehensive maintenance plan that nonetheless outspends the proposed new city in road maintenance substantially, allocating \$762,000 for maintaining its 56.5 center line miles of roads. The City of Englewood's annual road maintenance expenditures translate to \$13,486 per center line mile. Among the ten cities in the comparative cost study, the median expenditure on street (road) maintenance was \$13,786 per center line mile in comparison to \$6,265 budgeted for the new city. Figure 5 summarizes the per capita expenditure level on road

Figure 5 Expenditures on Road Maintenance Per Street Mile



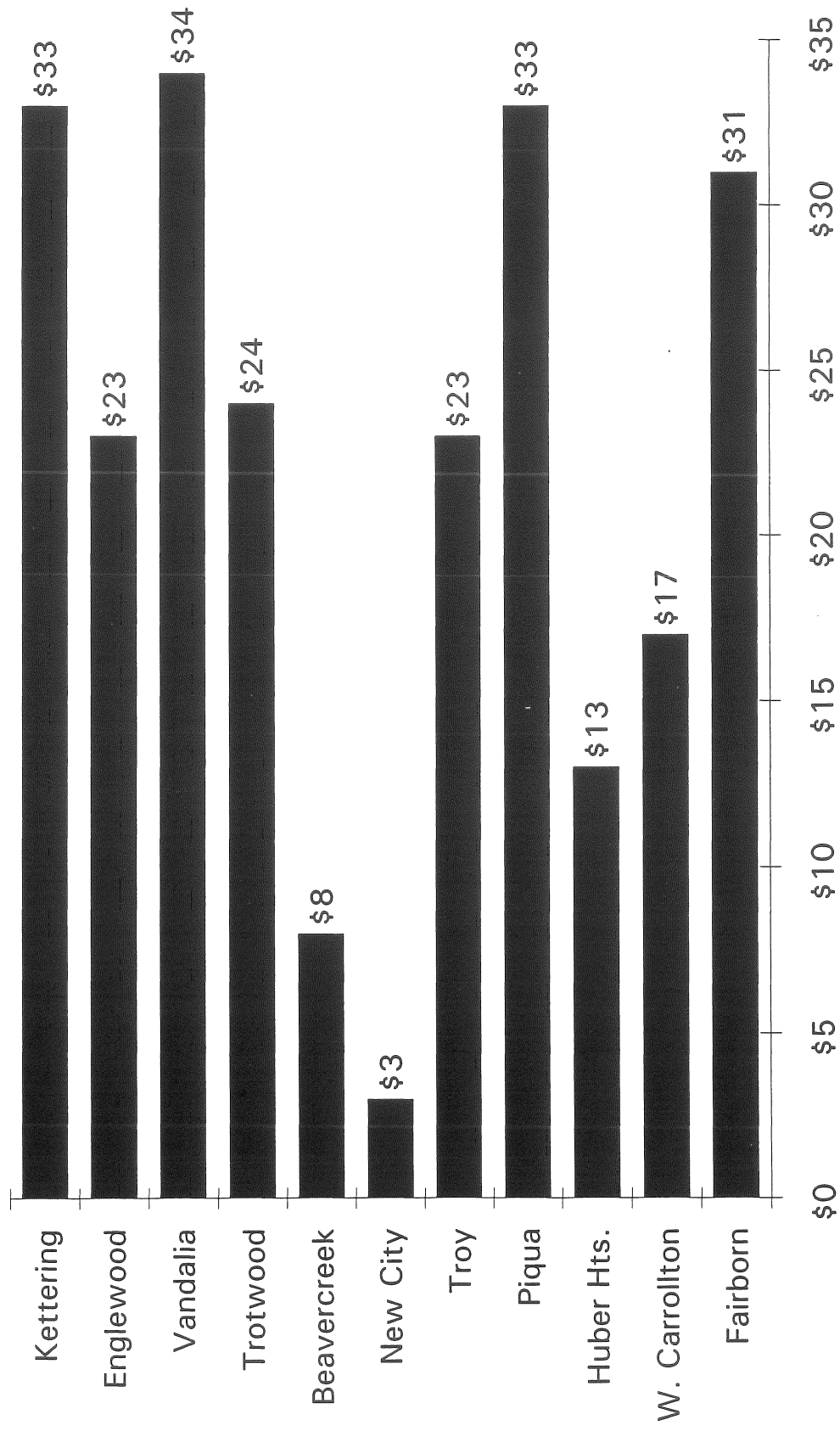
maintenance for each of the ten cities as well as the proposed expenditure of the new city.

### *Community Development*

This category encompasses such city services as zoning, building inspections, economic development, and planning services. The Merger Commission has recommended that inspection services be provided by Montgomery County, planning services by the Montgomery County Planning Commission and Miami Valley Regional Planning Commission (MVRPC), and zoning services by the Zoning Department of the new city. The total budget allocation for the zoning department is \$38,000 which equates to \$2.79 per capita. It should be noted that the Merger Commission's preliminary budget does not allocate specific monies for reimbursement to the County or MVRPC for services they provide.

In contrast, the ten cities in our cost survey spend, on average, \$24 per capita on community development, or \$399,278 for a municipality with a population size of the new city and with equivalent needs for community development services. **Figure 6 dramatically illustrates the difference in 1995 expenditures on this city function compared with the proposed 1996 budget put forth by the Merger Commission. Although trying to anticipate the demand for community development services is treacherous, it is probably safe to say that the Merger Commission is putting too little emphasis on community development.** For example, the Merger Commission did not make room in its projected budget for the new city for an Engineering Department or a Community Development Department. As a result, the new city, as proposed, will have responsibility for maintaining the physical infrastructure

Figure 6 Expenditures on Community Development Per Capita



without the services of an Engineering Department to assist in planning and inspections. Also, if the new city is going to actively pursue economic development, its efforts will likely be seriously constrained by the lack of an internal engineering and planning capability to pursue economic development opportunities, and to provide utility and infrastructure improvements in a timely and efficient manner.

### *Police Services*

In its May 7 preliminary report, the Merger Commission projected 1996 expenditures on police services for the new city to be \$895,972. The projection represents a decrease of \$35,000 presently allocated to police services, of which \$13,800 is from anticipated savings in personnel costs. In our view, the personnel cost savings in the police department are not likely to materialize for two reasons. First, there will be significant upward pressure on wages in the new city as previously township employees demand wages equivalent to city employees in the area. The police union is likely to be a factor in attempting to raise the wages of police officers in the new city to the level prevailing in nearby cities. Most likely, the union will argue that wages for officers in the new city should be comparable to the wages of officers of similar rank and grade in area cities like Englewood, Trotwood, and Vandalia, all of which pay substantially higher wages than the Township. Assuming that such a formula is applied, personnel costs would increase substantially. In addition, other city workers would have a similar argument for wage increases.

A second area that will likely be a source of rising costs in the area of police services is the pension fund. All full-time police officers in Randolph Township will be eligible to switch to a pension plan that requires higher

contributions from the employer. Currently, Randolph Township employs thirteen full-time police officers who participate in the Public Employees Retirement System for Law Enforcement (PERS-LE), a plan that requires an employee contribution of 9 percent and an employer contribution of 16.70 percent. If the two entities merge, the officers will be given a 60-day window with the option to switch into the more costly Police & Firemen Disability and Pension Fund (PFDPF), which requires a 10 percent contribution from the employee and a 19.5 percent contribution from the employer. A second employee benefit of the latter plan is that it allows retirement at age 48 and 25 years of service without penalty, whereas PERS-LE will provide 75 percent of the benefit if one retires at 48 instead of age 52. All current full-time city police officers and full-time firemen in all jurisdictions are eligible to participate in this fund.

In determining whether or not it is advisable to switch funds, each officer will need to consider a number of factors. To contribute to the Police & Firemen's Disability Fund (or PFDPF), those township officers that are appointed to full-time municipal positions have two options: either stay in PERS-LE, or transfer PERS-LE credits to PFDPF and begin contributing to it. Officers do NOT have the option of keeping their contributions in the PERS fund while contributing to PFDPF. The potential problem with transferring full-time credits is that PERS and the PFDPF have different criteria for what is considered full-time status. In PERS, any officer (full-time or part-time) that has made a combined monthly contribution into the fund equal to or greater than \$250 is given full-time credits for that month. On the other hand, the Police & Firemen Disability and Pension Fund's criteria for granting a full-time credit rests solely on the issue of whether or not the officer was in a full-time position during the period in question. Thus, officers who in the past

were putting in full-time hours with the Township police, but were classified as part-time, may find that their credits will not transfer.

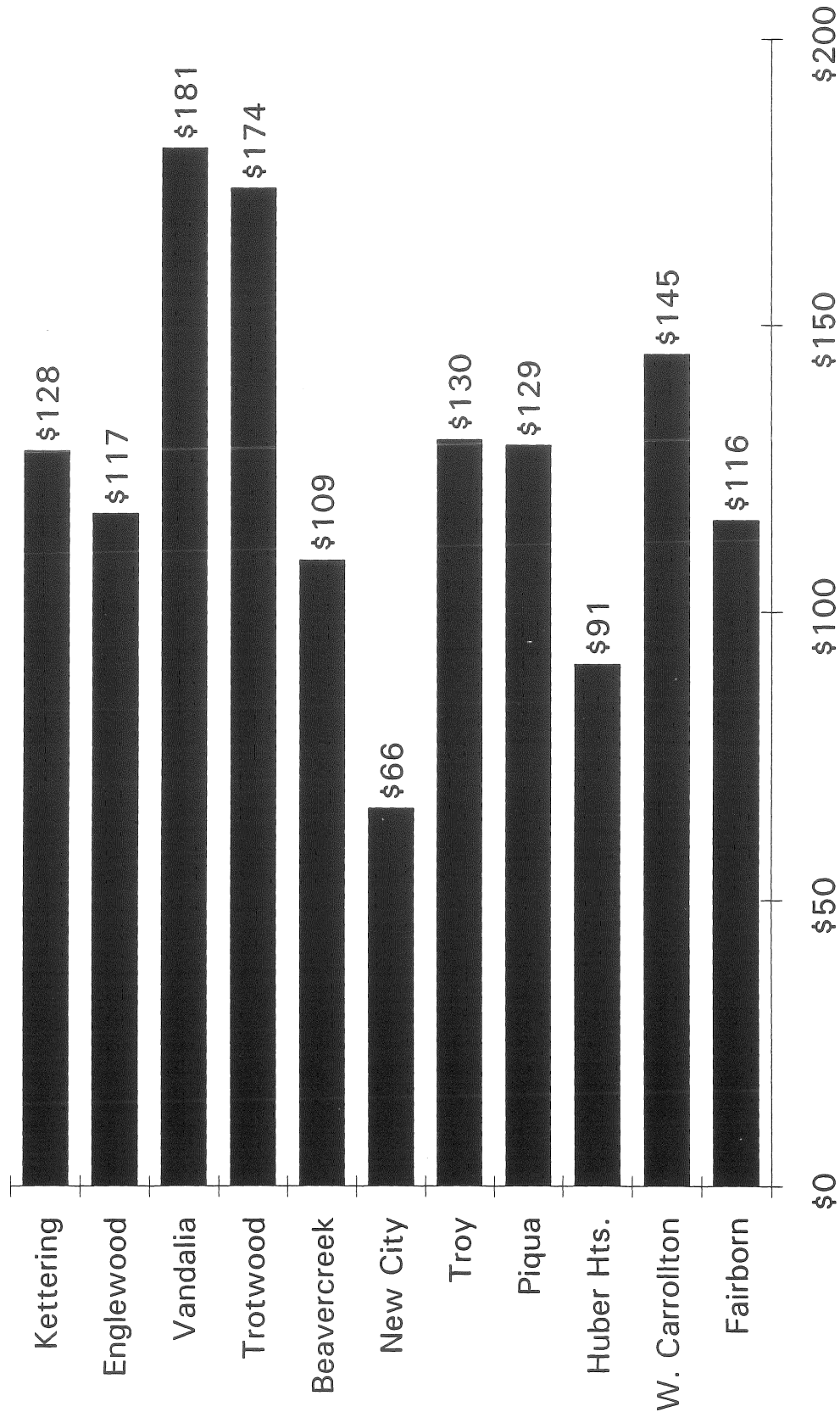
A second critical point concerns those officers who have purchased prior service credits. The Police & Firemen Disability & Pension Fund (PFDPF) may not honor these credits on the transfer. The officer must seek a refund from PERS. It is advisable for those officers facing this choice to get an estimate from PERS and the PFDPF of what their benefits will be at retirement.

These issues aside, it is likely that the majority of the officers will switch plans. In the case of the Trotwood-Madison Township merger, fifteen of eighteen officers switched plans. In addition, all new hires in the police and fire departments will be required to go into the more costly PFDPF. It would appear that the Randolph Township/Village of Clayton Merger Commission has not given these cost pressures sufficient consideration in its budgetary projections. Figure 7 compares the 1995 per capita expenditures on police protection of the ten cities to the proposed 1996 expenditures of the new city.

In addition, the projected expenditure levels proposed by the Merger Commission fall far short of the levels of spending by any of the ten cities. In Figure 7, the per capita expenditure levels on police protection of each of the ten cities is illustrated along with the proposed expenditure of \$66. The City of Huber Heights had the lowest per capita expenditure on this function at \$91, while Englewood spent \$117 per capita. Clearly, the new city will lag far behind similar cities in the Dayton area on expenditures on police protection.



**Figure 7 Expenditures on Police Protection Per Capita**



## *General Government*

In its calculations of new city expenditure needs, the Merger Commission has estimated that expenditures on general government will decrease by \$14,941 in spite of the fact that the Merger Commission's "terms and conditions" document calls for the creation of a Finance and a Zoning Department. Presumably, this will be accomplished by consolidating administrative functions. Please note the proposed savings in as proposed by the merger commission in Table 7.

The Merger Commission is estimating a net savings in personnel costs as a result of the merger. This implies that the post merger city will have fewer city employees, an assumption inconsistent with the necessary creation of several

Table 7 Proposed Expenditures on General Government by Merger Commission

1995 General Fund Expense	Expenditures	New Town	Gain/(Loss)
Elected Officials	\$48,300	\$25,000	\$23,300
Personnel	70,030	54,680	15,350
Administrative	5,356	28,524	(23,168)
Finance Department	0	36,000	(36,000)
Zoning	37,617	38,000	(383)
Personnel Benefits	61,678	68,000	(6,322)
Joint Dispatch	92,364	70,000	22,364
Other	247,132	227,332	19,800
<b>Total Savings:</b>			<b>\$14,941</b>

Offices for key city functions, including a Department of Finance, community development, Street Superintendent, Engineering Department, a Department of Public Safety, Human Resources, etc. At some point, the new city will have to fund an economic development department and the other departments and functions. These functions will need to be staffed. As a result, any claims of savings in personnel and administrative costs are likely to be short term.

Further evidence of underfunding can be found using data from the ten city analysis. The new city budget in 1996 allocates \$509,536 for general government, which translates to \$37 per capita. Englewood spent \$57 per capita in 1995, while Huber Heights, the ten city low, spent \$44 per capita. Once again, the proposed budget of the new city is not comparable to any of the ten cities studied in a key city function.

### *Budget Projections Using Ten City Analysis*

It is clear from this analysis that the expenditure levels proposed by the Merger Commission would place the new city well below the levels of similar cities in the area. One way to illustrate this point is to project a budget for the new city based upon the median unit expenditures of select city functions, as well as the low unit expenditures. In Table 8, the city functions of police, community development, street maintenance, recreation, and general government make up the projected budget using the ten city median. Substantial shortfalls are realized between the proposed budget totaling \$2,064,439 and the projected budget based on the ten city median, which totals \$4,929,354. The column labeled, "New City

**Table 8**  
**Comparison of Budget Projections for New City Based Upon**  
**Median Cost Expenditures for Selected City Services**

Service	Proposed Budget of New City	Median Per-Unit Expenditure	New City Budget Using Median (1)	Difference
Police	\$895,972	\$129(3)	\$1,759,173	\$863,201
Community Development	38,000	24(3)	327,288	289,288
Street Maintenance	608,909(2)	13,824(4)	1,370,097	761,188
Recreation	12,022	35(2)	447,295	465,273
General Government	509,536	73(3)	995,501	485,965
<b>Total</b>	<b>\$2,064,439</b>		<b>\$4,929,354</b>	<b>\$2,864,915</b>

\*The difference between the estimated new city budget needed to match the median service level prevailing in the region for each city function less the Merger Commission's proposed budget for the new city.

1The median budget calculation assumes the population of the new city will be 13,637.

2Randolph Township expenditures on parks and recreation maintenance are separated from road maint expenditures.

3Per capita.

4Per street mile.

Budget Using Median" is derived by multiplying the median unit expenditure in each category by the number of units in the proposed new city. For example, for police protection, the median per capita expenditure was \$129 as noted in Table 8. By multiplying the median (\$129) by the population of the new city (13,637), the proposed expenditure of \$1,759,173 is derived.

In every category listed, the Merger Commission proposes a budget that is in no way comparable to the ten city median. The \$761,188 difference in the budgets for street maintenance is most striking in light of the fact that the Township's roads are in generally poor condition in relation to the then cities.

A more striking point can be made by comparing the ten city low expenditure in these five city functions with the budget proposed by the Merger Commission. As noted in Table 9, the new city has a shortfall in every category listed using the ten city low as the benchmark. In total, the Merger Commission's proposed budget for 1996 has a shortfall of \$726,003 using the ten city low for each function as the standard.

**Table 9**  
**Comparison of Budget Projections Based Upon Low**  
**Cost Expenditures for Selected City Services**

Service	Proposed Budget of New City	Lowest Per-Unit Expenditure	New City Budget Using Low (1)	Difference*
Police	\$895,972	\$91(3)	\$1,240,967	\$344,995
Community Development	38,000	8(3)	109,096	71,096
Street Maintenance	608,909(2)	7,791(4)	772,166	163,257
Recreation	12,022	5(3)	68,185	56,163
General Government	509,536	44(3)	600,028	90,492
<b>Total</b>	<b>\$2,064,439</b>		<b>\$2,790,442</b>	<b>\$726,003</b>

\*The difference between the estimated new city budget needed to match the low service level prevailing in the region for each city function less the Merger Commission's proposed budget for the new city.

1The low budget calculation assumes the population of the new city will be 13,637.

2Randolph Township expenditures on parks and recreation maintenance are separated from road maint expenditures.

3Per capita expenditure.

4Per street mile.

The complete lack of financial commitment on community development is most disturbing when one considers the recent trends in the Northmont area, which comprises mainly the City of Englewood, City of Union, Village of Clayton, Village of Phillipsburg, and the unincorporated Township. Since 1989, nearly 83% of the growth in valuations of commercial and industrial property values in the region was the result of the activities of the City of Englewood. Englewood is the dominant entity in the region on developing the hinterland regions of the Township, primarily through its ability to extend water and sewer services into the region, as well as provide adequate roads, and other planning and development support. In 1995, Englewood spent \$280,000 on community development, or \$23 per capita. The results have been spectacular, with C/I property valuations growing faster in Englewood than any other region of Montgomery County except for Butler Township.

The resulting merger would effectively end Englewood's long term development in the region by ending its ability to annex and develop unincorporated township lands. Thus, long-term economic development will be the responsibility of the new City of Clayton. Simply stated, the new city currently lacks the essentials to attract new business development. They lack the ability to extend water and sewer services into the area. Their budget for roads does not account for making desperately needed repairs to existing roads, let alone expanding new roads. Finally, the complete lack of budgeting for community development makes it highly doubtful that the new city can sustain the growth trends in the area that Englewood has been primarily responsible for.

The analysis of the Northmont region also found that population trends have been quite flat since 1980. In contrast, the southern parts of the County have seen consistent growth, while the City of Dayton has plummeted in

population levels, dropping an astonishing 31.9% since 1960. The description of the Dayton area as a "donut city" is supported at least in this respect. In terms of property valuations, the City of Dayton has seen a modest ten percent increase in the grand valuation since 1989. In the Northmont Region, agricultural and residential property values have increased uniformly over the 1989-1995 period, appreciating between 38%-47%.

Assuming that the vote on November 5, 1996 approves the merger, there are still a number of legal issues facing the Courts over this issue for many years to come. The fact that the two votes on the merger have occurred excluding the residents of the incorporated areas of Randolph Township may be challenged as being illegal under the Ohio Revised Code sections governing issues of merger. The issue of the Randolph Township Fire Department is also a source of contention destined to be challenged in Court. The Fire Department may become the property of the new city despite the fact that the residents in Englewood and Union contributed substantial funds over the years in its creation and development. Clearly, the merger issue will not be settled by the November 5 vote alone.



## **APPENDIX A**

### **MERGER COMMISSION FINAL REPORT**

# RANDOLPH/CLAYTON MERGER COMMISSION FINAL REPORT

In November, 1995 the voters of Randolph Township and the Village of Clayton voted overwhelmingly to establish a Merger Commission. This Commission consisted of ten elected members, five residents from the unincorporated portion of Randolph Township, and five residents from Clayton. The Commission was elected "to draw up a statement of conditions of merger of the political subdivisions of Randolph Township and the Village of Clayton". The "conditions of merger" which have been adopted by the Commission, and are presented in this report, allow for orderly transition of Randolph Township and Clayton into one municipality. In addition, these conditions facilitate a merger which will combine the strengths of both Randolph Township and Clayton.

The Merger Commission believes that these conditions, if adopted by you, the voters of Randolph and Clayton, **will allow local control of future development, stabilize our communities' boundaries, provide for quality services to our residents, insure financial stability of the community, and improve Northmont Community unity.** These are the goals we believe you supported in overwhelmingly approving the merger study proposal. The Commission has completed its work by developing, unanimously approving, and placing these conditions on the November 5, 1996 ballot.

The proposal is now in your hands. For the conditions of merger to become effective, they must be adopted by a majority of the voters in **BOTH** the Village of Clayton and Randolph Township. If it fails to pass in either jurisdiction, the merger is not approved, and by state law cannot be reconsidered for a minimum of three years. Through the merger process you decide whether you want to take control of the future of your neighborhood and community, or let others decide its future. Whatever your choice, the members of the Merger Commission urge you to **VOTE** on November 5, 1996.

On behalf of the Randolph/Clayton Merger Commission

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John J. Beattie, Jr., Co-Chairman

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Donald E. Imbus, Co-Chairman

# Randolph Township/Village of Clayton Merger Commission

## RESOLUTION NO. 8

### *A Resolution formulating and establishing a statement of conditions for the merger of Randolph Township and the Village of Clayton in Montgomery County, Ohio.*

**Whereas**, Sections 709.43 through 709.48 of the Ohio Revised Code provide method for the study of conditions for a merger of certain political subdivisions; and

**Whereas**, under the terms of said statutes certain electors from Randolph Township and from the Village of Clayton were duly elected to serve on the Randolph Township/Village of Clayton Merger Commission; and

**Whereas**, said Merger Commission has met on numerous occasions, received information and advice and duly deliberated proposed conditions of merger; and

**Whereas**, said Merger Commission agreed to determine if merger conditions could be established which could accomplish the following goals:

- Insure local control of future development,
- Stabilize our communities' boundaries,
- Provide quality services to our residents,
- Insure financial stability of the community,
- Improve Northmont Community unity; and

**Whereas**, the said Merger Commission has developed certain conditions of merger using said goals as guidelines; and

**Whereas**, it is the intention of said Merger Commission that upon merger, the New Municipality will provide a general quality of life comparable to or better than that which the residents of the Village of Clayton and Randolph Township currently enjoy. It is the belief of the Merger Commission that the New Municipality will allow residents to control their communities' future, building a community of greater strength than could be done independently by either the Village of Clayton or Randolph Township,

**NOW, THEREFORE, BE IT RESOLVED** by the Randolph Township/Village of Clayton Merger Commission, that:

SECTION 1. The Board of Elections of Montgomery County, Ohio, be, and is hereby, respectfully requested to submit to the electors of the unincorporated portion of Randolph Township and the Village of Clayton, according to law, at the general election of November 5, 1996, the following question, to-wit:

“Shall the conditions of merger proposed by the Randolph Township/Village of Clayton Merger Commission be approved and pursuant to those conditions, Randolph Township and the Village of Clayton merge into one community?

\_\_\_\_\_ For the Merger

\_\_\_\_\_ Against the Merger”

SECTION 2. The following be, and they hereby are, submitted and proposed as “conditions of merger” of Randolph Township and the Village of Clayton, to-wit:

# TERMS AND CONDITIONS OF MERGER

## ARTICLE I-DEFINITIONS

Definitions as used in these Conditions of Merger shall be as follows:

1. "New Municipality" shall mean the municipality of Clayton, whether a village or a city.
2. "Randolph Township" shall mean the unincorporated portion of Randolph Township.

## ARTICLE II - GENERAL CONDITIONS

### 1. *NAME OF THE NEW MUNICIPALITY*

The name of the new municipality formed by the merger of Randolph Township and the Village of Clayton shall be "Clayton," hereafter: "New Municipality." This name may be changed at a later date by action of any duly elected Charter Commission.

### 2. *EFFECTIVE DATE*

The merger of Randolph Township and the Village of Clayton shall take effect at 12:00 a.m. on January 1, 1998. The offices and existence of Randolph Township shall terminate at that time.

### 3. *SCHOOL DISTRICT*

This merger is for municipal purposes only. The boundaries of Northmont City School District and other school districts serving the merged area shall not be affected.

### 4. *POSTAL DISTRICT*

This merger is for municipal purposes only. The zip codes and boundaries of the various postal districts serving the merged area shall not be affected.

### 5. *EQUALITY AND QUALITY OF LIFE*

Upon merger, all residents of the New Municipality shall receive equal treatment with regard to land use, municipal services, and government action. The Merger Commission expects the New Municipality to provide a general quality of life equal to or better than that which the residents currently enjoy. The Merger Commission believes that the merger will allow us to control our own destiny, and build a stronger community with stable boundaries.

## ARTICLE III - GOVERNMENT AND REPRESENTATION

### 1. *INTERIM GOVERNMENT*

The voters in the territory which will constitute the New Municipality shall elect an interim government at the regular municipal election to be held in November, 1997. The plan of government shall be the general plan of government for villages described in Chapter 731 of the Ohio Revised Code. This plan of government shall serve until such time as a charter is adopted by the voters of the New Municipality, or until the Village is reclassified as a city by the Ohio Secretary of State.

### 2. *ELECTED OFFICERS*

The elected officers of the New Municipality shall consist of six (6) Members of Council to be elected at large, a Mayor, and a Clerk/Treasurer. These officers shall be elected by the voters at the regular municipal election in November, 1997 and their terms of office shall commence at 12:00 a.m. on January 1, 1998.

### 3. *MEMBERS OF COUNCIL*

At the November, 1997 regular municipal election, the three (3) members elected who receive the largest number of votes shall each serve as members of Council for a term of four (4) years. The remaining three (3) members elected shall each serve for a term of two (2) years. Thereafter, all members of Council shall serve for terms of four (4) years or until their successors are elected and qualified.

### 4. *EXECUTIVE OFFICERS*

The Mayor and the Clerk/Treasurer shall each serve for a term of four (4) years or until their successors are elected and qualified.

### 5. *TERMINATION OF TERMS OF OFFICE*

The terms of office of all elected officials and of all members of boards and commissions of the Village of Clayton and Randolph Township shall terminate at 11:59 P.M. on December 31, 1997.

### 6. *MUNICIPAL CHARTER*

A Charter will allow the people of the New Municipality to make the best use of the constitutional freedoms granted to municipalities by the State of Ohio.

If not sooner initiated, within 60 days after the effective date of the merger, the Council of the New Municipality shall enact an ordinance to submit the question of the election of a Charter Commission to the voters of the New Municipality at the next regular municipal election not less than sixty nor more than one hundred twenty days after the passage of the ordinance.

The Merger Commission recommends that the Charter Commission establish a government, consisting of four districts as shown in the attached district map (Attachment A). Each District shall have a representative on Council. A Mayor shall be elected at large and will have an equal vote on Council.

7. ***RECLASSIFICATION AS A CITY***

If no charter has been adopted prior to the time when the Village is reclassified as a city, then the Council of the New Municipality shall adopt a statutory form of government with four wards as shown in the attached ward layout. This layout may be subject to revision by the New Municipality based upon the 2000 census.

8. ***ORDINANCES***

Upon the effective date of the merger, the Codified Ordinances of the Village of Clayton, except as specifically changed by these conditions, shall apply throughout the New Municipality. All Resolutions of Randolph Township, except as specifically changed by these conditions, shall be incorporated into the ordinances of the Village of Clayton and shall apply throughout the New Municipality. Where conflicts exist, until such time as Council changes these ordinances or resolutions, enforcement shall take place based on former jurisdictional boundaries. Council shall eliminate any such conflicts within one year of the effective date of the merger.

9. ***FIREARMS/LIVESTOCK***

Use of firearms shall be permitted in those areas of the New Municipality where such use legally existed prior to the effective date of the merger. Keeping of livestock shall be permitted in those areas of the New Municipality where such use legally existed prior to the effective date of the merger. The Council of the New Municipality shall have the authority to modify that use as is necessary for the protection of the public.

10. ***TRANSITION***

The Township Officials and the Village Officials shall be empowered to jointly handle administrative transitional items on behalf of the New Municipality as needed.

11. ***MUNICIPAL OFFICIALS***

Council may appoint additional municipal officials under the new government, which may include an Administrator, Finance Director, Chief of Police, Street Superintendent, Law Director and other officers as deemed necessary. Current Village and Township employees shall be given consideration for these positions where qualified. Appointments will be recommended jointly by the Township Trustees and Village Council prior to the effective date of the merger, so that appointments can be made and the offices filled by action of the new Council immediately after the merger is effective.

## ARTICLE IV - PERSONNEL

### 1. *EMPLOYMENT*

- A. All Township employees not covered by a collective bargaining agreement and all Village employees, who are employed by Randolph Township or the Village of Clayton on the effective date of the merger, shall become employees of the New Municipality at an equivalent or better wage.
- B. All Township employees covered by a collective bargaining agreement shall continue to have the terms and conditions of their employment governed by the applicable collective bargaining agreement in effect between the Township and their bargaining unit on the effective date of the merger.

### 2. *EMPLOYEES*

Employees of the New Municipality shall receive pay and benefits in accordance with the salary and benefit ordinances of the New Municipality (or that of Randolph Township until such time as said ordinance is passed), and shall be accorded equal treatment regardless of whether they were previously employed by the Village of Clayton or Randolph Township. All employees shall be entitled to retain their seniority and will be given appropriate credit for the purpose of establishing benefit levels which are time dependent.

### 3. *SEASONAL EMPLOYEES*

The need for seasonal employees shall be determined by the New Municipality on a year by year basis. Seasonal employees with previous experience with either the Village of Clayton or Randolph Township shall be given preference for seasonal positions.

### 4. *COLLECTIVE BARGAINING*

Any and all collective bargaining agreements in place, between Randolph Township and/or the Village of Clayton and any employee group, shall remain in effect and be recognized by the New Municipality.

## ARTICLE V - PLANNING, ZONING AND LAND USE

### 1. *PLANNING AND ZONING COMMISSION*

The Council of the New Municipality shall appoint a Planning and Zoning Commission of five (5) members who shall be residents of the New Municipality. The Council of the New Municipality shall make such appointments within thirty (30) days after the effective date of the merger. The terms of all of the members shall be of such length and so arranged that the term of one member shall expire each year.



2. ***BOARD OF ZONING APPEALS***

The Council of the New Municipality shall appoint a Board of Zoning Appeals of five (5) members who shall be residents of the New Municipality. The Council of the New Municipality shall make such appointments within thirty (30) days after the effective date of the merger. The terms of all of the members shall be of such length and so arranged that the term of one member shall expire each year.

3. ***BUILDING INSPECTION SERVICES***

Unless otherwise provided, Montgomery County's building, electrical and plumbing code shall prevail in the New Municipality. Inspections related thereto shall be done by the Montgomery County, or other jurisdiction's Building Department, by mutual agreement. This condition shall not preclude the New Municipality from doing its own inspections.

4. ***PLATTING INSPECTION SERVICES***

Unless otherwise provided, the Montgomery County subdivision, water, sewer, and storm water regulations shall prevail in the New Municipality. The Montgomery County Engineer's Office, or other qualified supplier, shall provide engineering and inspection services related thereto by mutual agreement. This condition shall not preclude the New Municipality from doing its own inspections.

5. ***ZONING***

The Zoning Ordinance of the Village of Clayton and the Zoning Resolution of Randolph Township shall continue to apply within their respective former jurisdictional boundaries until a new zoning ordinance is adopted by the Council of the New Municipality. Zoning inspections shall be done by the Zoning Department of the New Municipality.

6. ***LAND USE***

The comprehensive land use plan of the Village of Clayton and the comprehensive land use plan of Randolph Township shall continue to apply within their respective former jurisdictional boundaries until a new comprehensive land use plan is adopted by the New Municipality.

7. ***PLANNING SERVICES***

The New Municipality may utilize the services of the Montgomery County Planning Commission and the Miami Valley Regional Planning Commission by mutual agreement. Other consultants may be utilized when deemed necessary by the Council of the New Municipality. This condition shall not preclude the New Municipality from providing the above services.

## ARTICLE VI - MUNICIPAL SERVICES

### 1. *UNIFORMITY OF SERVICES*

Upon merger, general services currently provided by the existing Village of Clayton and/or Randolph Township shall continue to be provided throughout the New Municipality, except as provided herein. Additional services requested of the New Municipality shall either be uniformly provided at the New Municipality's cost or the cost shall uniformly be paid by the petitioners for the services.

### 2. *STREET LIGHTING*

Provision and financing of street lighting shall be as is currently provided in Randolph Township and the Village of Clayton, until a new policy is put in place by the Council of the New Municipality.

### 3. *GARBAGE COLLECTION AND DISPOSAL*

Existing contracts for garbage collection and disposal shall be assumed by the New Municipality. Upon expiration of these contracts, one contract for such services shall be entered into by the Council of the New Municipality.

### 4. *PARKS*

The New Municipality shall become the owner or lessee of and be responsible for the maintenance and operation of all parks and green spaces currently owned or leased by either the Village of Clayton or Randolph Township.

### 5. *CEMETERIES*

The New Municipality shall become the owner of and be responsible for the maintenance and operation of all cemeteries currently owned by either the Village of Clayton or Randolph Township.

### 6. *CABLE TELEVISION*

The merger shall not affect the current franchise agreements in place in the Village of Clayton or Randolph Township. All current franchise agreements in place in Randolph Township and the Village of Clayton shall be assumed by the New Municipality.

### 7. *STREETS AND ROADS*

The New Municipality shall be the owner of and responsible for all dedicated roads, streets, highways and applicable bridges within the New Municipality including all roads currently maintained by Montgomery County or the State of Ohio with the exception of Interstate 70.

The standards for maintenance of said roads, streets, highways and bridges shall be the same as or greater than currently in effect.

8. ***WATER AND SEWER***

Those areas in the New Municipality which are currently served by water or sanitary sewer service from Montgomery County or other authorities shall continue to be served by those agencies. New service or service expansions will be provided by these agencies or the New Municipality whenever possible and shall either be uniformly provided at the New Municipality's cost or the cost shall be paid by the petitioners for the services.

No area currently lacking water or sanitary sewer service will be required to install water or sewer lines as a result of this merger. Areas currently outside a water or sewer district will not automatically be placed within a water or sanitary sewer district as a result of this merger.

The New Municipality shall immediately begin negotiations with Montgomery County, the City of Union, the City of Englewood and other water or sewer authorities as necessary, to expand water and sewer services to encompass the entire New Municipality, so that these services may be available if requested. Water and sanitary sewer services for the New Municipality shall also be explored further, building on studies conducted by Randolph Township and the Village of Clayton.

9. ***FIRE DEPARTMENT***

The Randolph Township Fire Department has been and continues to be responsible for fire fighting, fire prevention, emergency medical and related services in and for the political subdivisions of Randolph Township, Village of Clayton, City of Englewood and City of Union.

It is the opinion of the Randolph Township/Village of Clayton Merger Commission that the areas referred to above would best be served by a unified fire service as currently exists. To that end the governmental entities (Randolph Township, Village of Clayton, City of Englewood, City of Union) should work closely together prior to the effective date of the merger in order that a joint fire district or similar structure be established by such date.

The establishment of a joint fire district or similar structure, although highly desirable, is not a condition of merger.

It is a condition of merger that upon the effective date of merger a fire department serving the New Municipality shall exist for the purpose of fire fighting, fire prevention, emergency medical and related services, and that the level and quality of said services shall be greater than or equal to those services currently provided by the Randolph Township Fire Department.

10. **POLICE DEPARTMENT**

On the effective date of merger, all employees of the Randolph Township Police Department and the Village of Clayton Police Department shall become employees of the Municipal Police Department of the New Municipality, as specified in Article IV above.

The rules, regulations, policies, procedures and structure of the Randolph Township Police Department shall be utilized as a basis for the operation of the Police Department of the New Municipality.

**ARTICLE VII - FINANCES**

1. **PROPERTY TAX LEVIES**

**A. Fire and Emergency Medical Services Levies**

Any Randolph Township Fire and Emergency Medical Services (EMS) levies that are in effect on the effective date of the merger shall be continued in the New Municipality.

**B. Police Levies**

The Randolph Township Police levies shall terminate on the effective date of the merger. The current Village of Clayton Police levies, with an effective rate of approximately 0.556 mills higher than the current Randolph Township Police millage, shall be continued in the New Municipality.

*(This would increase the tax on a \$100,000 market value home in Randolph Township by \$17.02 per year according to the Montgomery County Auditor's Office.)*

**C. Operating Levy**

The current Village of Clayton operating levy shall be reduced from 1.78 mills to 1.60 mills. Randolph Township's operating levy of 1.60 mills (non voted inside millage) will continue to be collected throughout the New Municipality.

**D. Table of Property Taxes**

The following table shows the effective rates of property taxes collected by the Village of Clayton and Randolph Township, and to be collected by the New Municipality.

	<i>Effective Millage Rates</i>		
	<i>Village of Clayton</i>	<i>Randolph Township</i>	<i>New Municipality</i>
<i>Fire Levies</i>	2.15	2.15	2.15
<i>EMS Levy</i>	0.62	0.62	0.62
<i>Police Levies</i>	4.79	4.23	4.79
<i>Operating</i>	<u>1.78</u>	<u>1.60</u>	<u>1.60</u>
<i>Totals</i>	9.34	8.60	9.16

2. ***PERMISSIVE LICENSE TAX***

The residents of Randolph Township currently pay a \$5.00 permissive license tax on each motor vehicle. The Merger commission recommends that the same tax be enacted by the Council of the Village of Clayton prior to the effective date of merger. This additional funding is currently needed by the Village of Clayton for street maintenance and will be needed by the New Municipality. If the permissive tax is not enacted by the Village Council of Clayton prior to merger, it shall be enacted by the Council of the New Municipality.

3. ***MUNICIPAL INCOME TAXES***

There shall be no municipal income tax required as a term or condition of the merger.

4. ***SPECIAL ASSESSMENTS***

Special assessments currently collected within the existing Village or Township shall continue to be collected by The New Municipality. Street lighting assessments shall be handled in accordance with Article VI, Section 2.

## **ARTICLE VIII- GENERAL**

1. ***CONDITIONS DEEMED SEVERABLE***

Each and every article of these Conditions of Merger and each and every section and provision contained herein shall be deemed to be severable. In the event that any article, section, or provision is held to be illegal or unconstitutional by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining articles, sections, or provisions, nor shall any such decision affect or impair the merger of Randolph Township and the Village of Clayton.

2. ***INTERESTS AND OBLIGATIONS***

Upon the effective date of the merger, the New Municipality shall succeed to the interests of Randolph Township and the present Village of Clayton in:

- A. All moneys, taxes, and special assessments, whether such moneys, taxes, or special assessments are in the treasury or in the process of collection;
- B. All property and interests in property, whether real or personal;
- C. All rights and interests in contracts or in securities, bonds, notes or other instruments;
- D. All accounts receivable and rights of action; and
- E. All other matters not included above.

Upon the effective date of the merger, the New Municipality shall become liable for all outstanding franchises, contracts, debts, and other legal claims, actions and obligations of Randolph Township and the present Village of Clayton.

3. *EFFECT OF JOINT FIRE/EMERGENCY SERVICE AGREEMENT*

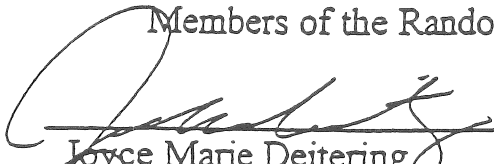

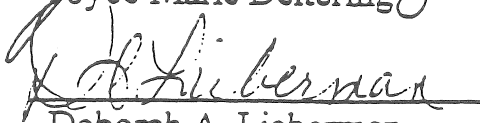
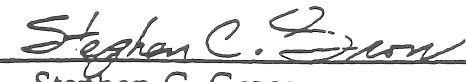

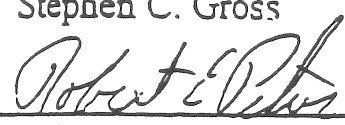
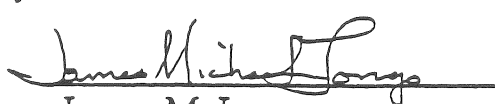
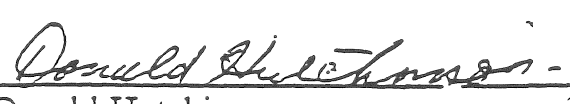
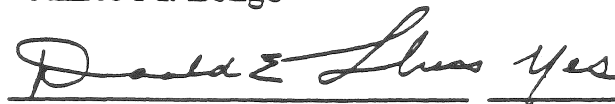
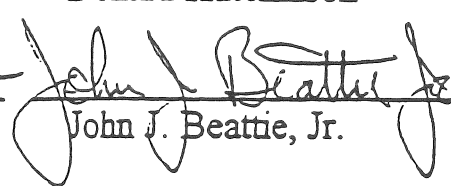
Any Fire/Emergency Service Agreement duly approved by the jurisdictions involved shall supersede the provisions of Section 2 above with regard to interests and obligations pertaining to Randolph Township Fire and Emergency Services operations.

SECTION 3. It is hereby found and determined that all formal actions of Commission concerning and related to passage of this Resolution were adopted in open meeting of this Commission, and that all deliberations of this Commission and any of its committees that resulted in such formal action, were in meetings open to public, in compliance with all legal requirements, including Section 121.22 of the Revised Code.

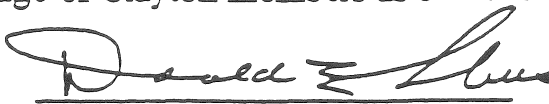

SECTION 4. The Co-Chairmen be, and they hereby are, authorized and instructed to forward a certified copy of this Resolution to the Board of Elections of Montgomery County, Ohio and copies thereof to the Village of Clayton, Randolph Township, and to any other interested party as may be required or requested.

Approved this 23rd day of July, 1996.

Members of the Randolph Township/Village of Clayton Merger Commission

<u></u>	<u>yes</u>	<u></u>	<u>yes</u>
Joyce Marie Deitering		Janice Ward	
<u></u>	<u>yes</u>	<u></u>	<u>yes</u>
Deborah A. Lieberman		Stephen C. Gross	
<u></u>	<u>yes</u>	<u></u>	<u>yes</u>
James T. Gorman		Robert E. Peters	
<u></u>	<u>yes</u>	<u></u>	<u>yes</u>
James M. Longo		Donald Hutchinson	
<u></u>	<u>yes</u>	<u></u>	<u>YES</u>
Donald E. Imbus		John J. Beattie, Jr.	

This is to attest and certify that the aforesaid Resolution No. 8 of the Randolph Township/Village of Clayton Merger Commission was, this 23rd day of July, 1996 approved by a majority of the Randolph Township Members and by a majority of the Village of Clayton members as set forth above.

<u></u>	<u></u>
Donald E. Imbus, Co-Chairman	John J. Beattie, Jr., Co-Chairman

## Attachment A

### Boundaries of Voting Districts/Wards

Situated in the County of Montgomery, State of Ohio, the merged Municipality of Clayton shall be divided into four (4) voting districts or wards of equal representation, each containing one-quarter of the total population of the entire city, said divisions being made within all applicable federal and state restrictions. A map based upon the district descriptions contained herein is hereby made a part of this description by reference and attachment. Each division shall be identified by number, and shall incorporate the lands and properties within the boundaries set forth below:

#### Ward One:

The northern most boundary of Ward One shall be the existing township line from its intersection with the City of Union incorporation line to the east and to North Diamond Mill Rd./Clay Township boundary to the west. The western most boundary extends the length of the existing township boundary with Clay Township and includes the area of the Village of Clayton residing in Clay Township. The southern most boundary is the City of Trotwood incorporation line to its intersection with State Route 49. The eastern most boundary begins there and runs north along State Route 49 to Union Blvd. The boundary extends up Union Blvd., past Old Salem Rd. to the current City of Englewood incorporation line. The ward contains the unincorporated area to the east of Union Rd. The boundary of Ward One runs along the City of Englewood border from Westbrook Rd. to Sweet Potato Ridge Rd and the City of Union.

#### Ward Two:

The eastern most boundary of the ward runs along the Stillwater River from its most southern point, with a boundary adjacent to Harrison Township to the current incorporation line of the City of Englewood along Heathcliff Rd. Two islands are part of the ward. The first is the area above Sweet Potato Ridge Rd. between the City of Union and the City of Englewood. The second is the island to the west of the City of Englewood and bounded by the Stillwater River and Butler Township to the east. The western most boundary runs along the current Englewood incorporation line from the intersection of Old Salem and Taywood Roads to the Interstate 70 where it becomes the northern most border and runs adjacent to Englewood's incorporation line back to it's intersection with the Stillwater River. State Route 48 divides Ward Two and Ward Three from Westbrook Rd in the south, up to Old Salem Rd and then across to the Taywood Rd intersection.

#### Ward Three:

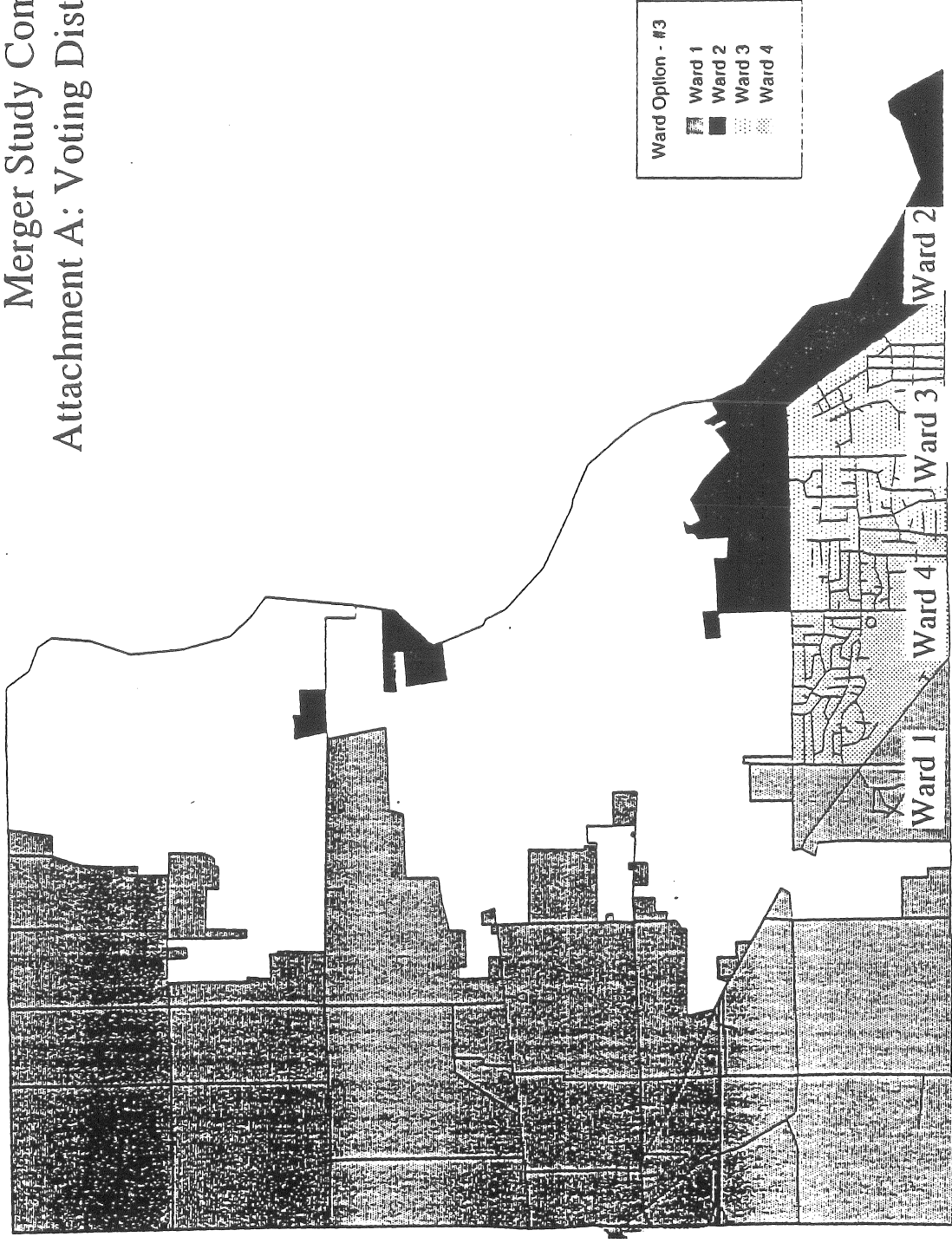
Ward three lies between Ward Two and Ward Four and is bounded by Westbrook Rd to the south, State Route 48 to the east, and Old Salem Rd to the North. The western most border runs down Taywood to Rundell Dr. and then east to Robert Ulrich Avenue. From there, the boundary moves south then east to Afton Dr. The border runs south along Afton to Honeybrook Avenue where it then moves east to Rangeview Drive then south along Willowcreek Dr. At the intersection of Willowcreek and Freeport Dr. the border finally descends south to Westbrook Rd - dividing Ward Three and Ward Four.

#### Ward Four:

The northern boundary of Ward Four is Old Salem Rd from just west of Monte Carlo Dr. to the its intersection with Taywood Dr. It's eastern boundary is adjacent to the western most boundary of Ward Three as described above. Its southern boundary is the Westbrook Rd/ City of Trotwood incorporation line. Its western most border runs along State Route 49 and up Union Blvd. — adjacent to Ward One.



Randolph Township/Village of Clayton  
Merger Study Commission  
Attachment A: Voting District Map



Prepared by: Center for Public Management and Regional Affairs  
at Miami University - using 1990 Census Block data, 1992 TIGER data  
and annexation information provided by the Montgomery County Planning Commission.

## **APPENDIX B**

### **MERGER COMMISSION'S MAY 7 PRELIMINARY REPORT**

**Preliminary Report of Merger Finance Committee**  
May 7, 1996

Exclusive of Fire & EMS revenues, the total revenues of Randolph Township and Clayton, respectively, are projected to be \$2,130,808 and \$175,914 in 1996. Exclusive of Fire and EMS Funds, unencumbered balances for Randolph and Clayton at the end of 1995 were \$1,340,876 and \$47,077, respectively. Exclusive of Fire and EMS expenses and capital grants, 1996 expenditures for Randolph Township and Clayton are estimated to be \$1,878,000 and \$170,850, respectively. This analysis deals only with areas of revenue and expenditure that would change if the entities had been merged into one during this year. Fire and EMS revenues and expenses are not addressed as it is anticipated that both would be transferred to a joint fire district in the event of a merger.

***1996 Estimated Revenues***

Fund or item Description	Randolph	Clayton	Clayton/ RT Total	New Town	Gain/(Loss)
General Fund					
Property Tax <sup>5</sup>	\$151,549	\$16,524	\$168,073	\$88,832	(\$79,241)
Local Government & LGRAF	147,209	16,446	163,655	255,773	92,118
Estate Taxes <sup>4</sup>	126,600	2,000	128,600	128,600	0
Franchise Fees	58,368	0	58,368	58,638	0
Interest & Miscellaneous <sup>3</sup>	134,850	7,500	142,350	80,000	(62,350)
Income Taxes	0	0	0	0	0
Total General Fund	\$618,576	\$42,470	\$661,046	\$611,573	(\$49,473)

**Preliminary Report of Merger Finance Committee (continued)**

***1996 Estimated Revenues***

Fund or item Description	Randolph	Clayton	Clayton/ RT Total	New Town	Gain/(Loss)
<b>Road-related Funds</b>					
MVL Tax Funds <sup>6</sup>	\$21,130	\$10,960	\$32,090	\$88,082	\$55,992
Permissive (Base 3 @ \$5) MVL Tax Fund	35,366	2,981	38,347	38,347	0
Permissive MVL T \$5 <sup>1,7</sup>	53,415	0	53,415	59,715	6,300
Gasoline Tax	45,655	24,000	69,655	232,759	163,104
Road and Bridge Funds <sup>5</sup>	194,168	0	194,168	194,168	0
<b>Total of Road-related Funds</b>	<b>\$349,734</b>				
<b>\$37,941</b>	<b>\$382,675</b>	<b>\$613,071</b>	<b>\$255,396</b>		
<b>Police-related Funds</b>					
Police Fund <sup>2</sup>	\$700,520	\$49,214	\$749,734	\$892,000	\$142,266
Drug Fines	1,000	0	1,000	1,000	0
Law Enforcement Trust Fund <sup>4</sup>	1,000	0	1,000	1,000	0
<b>Total Law Enforcement Funds</b>	<b>\$702,520</b>	<b>\$49,214</b>	<b>\$751,734</b>	<b>\$894,000</b>	<b>\$142,266</b>
<b>Grand Total Above Revenues</b>	<b>\$1,670,830</b>	<b>\$124,684</b>	<b>\$1,795,514</b>	<b>\$2,118,644</b>	
<b><i>Total Gain(Loss) all Funds as a City</i></b>					<b>\$318,189</b>

Preliminary Report of Merger Finance Committee (continued)

*Proposed Expenditures 1996*

Fund or item Description	Randolph	Clayton	Clayton/ RT Total	New Town
General Fund Expense <sup>9</sup>				
Elected Officials	\$41,400	\$6,900	\$48,300	\$25,000
Personnel <sup>9</sup>	54,680	15,350	70,030	54,680
Administrator/Mgr <sup>16</sup>	5,356	0	5,356	28,524
Finance Director	0	0	0	36,000
Zoning <sup>17</sup>	36,617	1,000	37,617	38,000
Staff	0	0	0	0
Personnel Benefits <sup>8, 11, 18</sup>	61,678	0	61,678	68,000
Joint Dispatch <sup>20</sup>	88,664	3,700	92,364	70,000
Other	227,332	19,800	247,132	227,332
Total General Fund	\$515,726	\$46,750	\$562,476	\$547,536
Road-related Expense <sup>9</sup>				
Road Supervisor	\$37,571	\$5,000	\$42,571	\$37,571
Personnel <sup>14</sup>	40,760	10,000	50,760	85,760
Benefits <sup>11</sup>	30,590	0	30,590	48,140
Equipment <sup>13, 15</sup>	30,000	0	30,000	50,300
Other <sup>12</sup>	174,160	35,000	209,160	399,160
Total Road-related Expenses	\$313,082	\$50,000	\$363,082	\$620,931

Preliminary Report of Merger Finance Committee (continued)

*Proposed Expenditures 1996*

Fund or item Description	Randolph	Clayton	Clayton/ RT Total	New Town
Police-related Expense <sup>10</sup>				
Police Chief <sup>6</sup>	\$25,846	\$5,200	\$31,046	\$28,542
Personnel <sup>20</sup>	424,000	42,800	466,800	453,000
Benefits <sup>11</sup>	140,724	0	140,724	140,430
Equipment	85,000	8,500	93,500	89,000
Other	181,412	17,600	199,012	185,000
Total Police-related Expense	\$856,982	\$74,100	\$931,082	\$895,972
<i>Grant Total Expenses of Above Funds</i>	<i>\$1,685,790</i>	<i>\$170,850</i>	<i>\$1,856,640</i>	<i>\$2,064,439</i>

## Preliminary Report of Merger Finance Committee (continued)

<sup>1</sup> Assumes Clayton enacts \$5 permissive fee.

<sup>2</sup> Assumes Clayton police levy, which is approximately .62 mil higher, prevails.

<sup>3</sup> Assumes loss of interest revenue from fire fund of approximately 1.15 million and lower interest rates.

<sup>4</sup> Amount varies annually. Above is average of last 5 years.

<sup>5</sup> 194168 Road 7 Bridge Funds received as Twp would actually be received into city general fund. Have shown it in Road Fund as that is the purpose and intent of the dollars.

<sup>6</sup> Engineer letter -- \$21,130 Twp. gets goes to \$77,122; \$10,900 Clayton remains same.  $77,122 + 10,960 = 88,082$

<sup>8</sup> Includes medicare payments for all Twp employees including fire.

<sup>9</sup> 1995 expenses with 3% increase and workers comp adjustment..

<sup>10</sup> 1995 expenses with 3.5% adjustment.

<sup>11</sup> Includes health & dental pers, life, workers comp.

<sup>12</sup> \$225,000 extra includes maintaining approx. 39.5 additional mile of road + increase i mowing, parks, snow, striping 7 signals.

<sup>13</sup> Additional trucks & equipment needed is amortized over 10 years.

<sup>14</sup> 2 additional at \$22,500 each.

<sup>15</sup> \$203,000 additional equipment includes 1 SA dump, 2 tandem dumps, and 1 additional salt bin.

<sup>16</sup> Split between police chief and administrator.

<sup>17</sup> Part-time zoning added in.

<sup>18</sup> Elected officials included

<sup>19</sup> 1995

<sup>20</sup> Clayton expenditure includes \$18,611 from federal COPS FAST grant (expires 1998).

**APPENDIX C**  
**CITY DEMOGRAPHICS**



*City of Fairborn*  
**Demographics**

Year of Incorporation: 1950

Area: 11.34 square miles

Income Tax: 1%: Receipts totaled \$5 million, representing 40% of total city revenues  
Property Tax: 64.43 mills

1995 Population: 31,469  
% change since 1987: 12%

Miles of Streets: 112.28  
Number of Street Lights: 1,869

1995 Property Values: \$967,338,110  
% change since 1987: 88%

Police Protection  
Number of Stations: 1  
Number of Officers: 41  
Number of Patrol Units: 29

Assessed Value: \$338,585,837

Overall Legal Debt Limitation  
@10.5 percent limit: \$33,819,477  
Total Debt Outstanding: \$13,006,694  
Debt Subject to 10.5% limit: \$1,732,036

Fire Protection  
Number of Stations: 3  
Number of Personnel: 44

Unvoted Legal Debt Margin  
@5.5 percent limit: \$18,368,046  
Total Unvoted Debt: \$10,956,694  
Debt Subject to 5.5% limit: \$254,175

Municipal Water Department  
Miles of Water Mains: 115  
Number of Fire Hydrants: 1,100

Sewers  
Miles of Sanitary Sewer Mains: 120  
Miles of Storm Sewer Mains: 70

Recreation: 13 Parks totaling 363 acres, 2.5 Bikeways, 14 Tennis Courts.  
Recreation Expenditures: \$150,088

*City of West Carrollton*  
**Demographics**

Year of Incorporation:	1967	
Area:	6.4 square miles	
Income Tax: 1.75%	Receipts totaled \$5.9 million, representing 30% total revenues	
Property Tax:	73.44 mills	
1995 Population:	15,000	Miles of Streets: 60.6
% change since 1987:	7% (est)	Number of Street Lights: 950
1995 Actual Tax Valuation:	\$202,064,270	
% change since 1987:	26%	
Number of Businesses:	445	

Municipal Water Department Sewers  
Miles of Water Mains: 33  
Miles of Sanitary Sewer Mains: 38

Recreation: 11 Parks totaling 134 acres, 15 Ball fields, 11 Soccer fields.  
Recreation Expenditures: \$603,461

*City of Huber Heights*  
**Demographics**

Year of Incorporation: 1981

Area: 20.22 square miles

Income Tax: 1.75%

Property Tax: 79.48 mills

1995 Population: 40,045

% change since 1987: n/c

Miles of Streets: 165.63

Number of Street Lights: 2075

1995 Property Values: \$1,232,139,605    Police Protection

% change since 1989: 55%

Number of Stations: 1

Number of Officers: 46

Assessed Value: \$437,743,047

Overall Legal Debt Limitation:

@10.5 percent: \$45,963,020

Total Outstanding Debt: \$36,406,028

Debt Subject to 10.5% limits: \$10,222,949

Fire Protection

Number of Stations: 2

Number of Personnel: 44

Unvoted Legal Debt Margin:

@5.5 percent limit: \$24,075,868

Total Unvoted Debt: \$34,256,028

Debt Subject to 5.5% limits: \$8,072,949

Municipal Water Depart. Sewers

Miles/Water Mains: 135.8

Miles/ Sanitary Sewer Mains:  
130.78

Miles/ Storm Sewer Mains:  
122.90

Recreation: 9 Parks, 1 Library

Recreation Expenditures: \$217,581

***City of Piqua***  
**Demographics**

Year of Incorporation: 1823

Area: 10.7 square miles

Income Tax: 1.75%      Receipts totaled \$4.6 million, accounting for 59% of Piqua's total revenues to the general fund.

Property Tax: 54.87 mills

1995 Population: 20,612

Miles of Streets: 86

% change since 1987: 1%

Number of Street Lights: 2,467

1995 Property Values: \$661,536,545

Police Protection

% change since 1987: 39%

Number of Stations: 1

Number of Officers: 29

Assessed Value: \$213,260,782

**Overall Legal Debt Limitation**

@10.5 percent limit: \$22,392,382

**Fire Protection**

Total Outstanding Debt: \$18,478,079

Number of Stations: 1

Debt Subject to 10.5% Limits: \$120,479

Number of Personnel: 26

**Unvoted Legal Debt Margin**

Employees: 219

@5.5 percent limit: \$11,729,343

Debt Subject to 5.5% limits: \$120,479

**Municipal Water Department**

**Sewers**

Miles/ Water Mains: 97

Miles/Sanitary Sewer Mains: 90

**City Power\***

Electric KWH Sold: 264 million

Electric Customers: 9,709

Water Customers: 8,025

\*The City provides electric power to its citizens. As a result, substantial savings are realized in annual maintenance costs for street lighting. The \$11,785 figure represents the maintenance costs for the street lights; a county equivalent amount is \$341,550.

Recreation: 14 Parks totaling 383 acres, 1 Library

Recreation Expenditures: \$784,355

*City of Troy*  
**Demographics**

Year of Incorporation: 1814

Area: 8.72 square miles

Income Tax: 1.75%

Property Tax: 61.52 mills

1995 Population: 19,479

% change since 1987: n/c

Miles of Streets: 91.9

Number of Street Lights: 2,000 (est)

1995 Property Values: \$588,786,514

% change since 1987: 52%

Police Protection

Number of Stations: 1

Number of Officers: 40

Assessed Value: \$361,806,510

Overall Legal Debt Limitation

@10.5 percent limit: \$37,989,684

Total Outstanding Debt: \$14,882,678

Debt Subject to 10.5% Limits: \$4,846,485

Fire Protection

Number of Stations: 3

Number of Personnel: 41

Unvoted Legal Debt Margin

@5.5 percent limit: \$19,899,358

Debt Subject to 5.5% limits: \$4,846,485

Employees: 194

Municipal Water Department

Miles/Water Mains: 110.22

Sewers

Miles/Sanitary Sewer Mains: 103.42

Miles/Storm Sewer Mains: 53.55

Recreation: 21 Parks totaling 299 acres, Miami Shores Golf Course, Hobart Arena, swimming facilities.

Recreation Expenditures: \$1,148,935

*City of Beavercreek*  
**Demographics**

Year of Incorporation: 1980

Area: 27.5 square miles

Income Tax: None

Property Tax: 75.98 mills

1990 Population: 33,626

% change since 1980: 6.4%

Miles of Streets: 219.7

Number of Street Lights: 518\*

1995 Property Values: \$1,703,981,514

% change since 1987: 108%

Police Protection

Number of Stations: 1

Number of Officers (sworn): 39

Assessed Value: \$596,393,530

Overall Legal Debt Limitation

@10.5 percent limit: \$68,589,775

Total Outstanding Debt: \$13,131,000

Debt Subject to 10.5% Limits: \$8,536,000

Fire Protection: Provided by Beavercreek

Provided by Beavercreek

Township\*

Unvoted Legal Debt Margin

@5.5 percent limit: \$35,927,978

Debt Subject to 5.5% limits: \$8,536,000

Employees (full-time): 100

Water: Provided by Greene County

Sewer: Provided by Greene County

Recreation: 22 Parks totaling 293 acres, and construction has begun on an \$8.5 million city golf course.

Recreation Expenditures: \$550,180

\*This figure only represents the number of street lights maintained directly by the city.

*City of Trotwood*  
**Demographics**

Year of Incorporation: 1971

Area: 28 square miles (Post-merger)

Income Tax: 2.25%

Property Tax: 91.34 mills

1995 Population: 9,216

Miles of Streets (Pre-Merger): 34.2

1996 Population: 29,353

Miles of Streets (Post-Merger): 144.8

**Municipal Water Department**

Miles of water main lines before merger: 34.4

Estimated miles of water main lines after merger: 43

**Sewer**

Miles of sanitary sewer main lines pre-merger: 30.9

Estimated miles of sanitary sewer main lines after merger: 38

Recreation Expenditures in 1995: \$284,546

Miscellaneous: The City of Trotwood merged with Madison Township effective January 1, 1996. The most significant cost incurred by the City of Trotwood has been road maintenance costs. In 1994, the City of Trotwood spent, on average, \$14,000 per center line mile of roads in its jurisdiction, a figure consistent with the expenditures of most cities of its size. Using this benchmark, the City of Trotwood budgeted for an additional \$532,000 to cover the maintenance costs of 38 miles of roads transferred from county jurisdiction ( $\$14,000 \times 38 = \$532,000$ ). However, they have found that the existing roads in Madison Township have been in far worse shape than the city roads, demanding higher expenditures per mile.

***City of Vandalia***  
**Demographics**

Year of Incorporation: 1958

Area: 11.75 miles

Income Tax: 1.75% \*income tax receipts accounted for 63% of total revenues for city in 1995.

Property Tax: 71.94 mills

1995 Population: 13,997

% change since 1987: 6.3%

Miles of Streets: 72

Number of Street Lights: 35\*

1995 Property Values: \$592,962,142

% change since 1987: 82%

Police Protection

Number of Stations: 1

Number of Officers: 31

Number of Patrol Units: 14

Assessed Value: \$282,050,461

Overall Legal Debt Limit

@10.5 percent: \$29,615,298

Total Debt Outstanding: \$590,000

Debt Subject to 10.5% Limits: \$0

Employees: 122

Unvoted Legal Debt Margin:

@ 5.5 percent: \$15,512,775

Total Unvoted debt: \$590,000

Debt Subject to 5.5% Limits: \$0

Municipal Water Department

Miles of Water Mains: 65

Number of Fire Hydrants: 633

Sewers

Miles/Sanitary Sewer Mains: 56

Miles/Storm Sewer Mains: 42

Recreation: 8 Parks, 1 Library, 1 Senior Citizen Center, 1 Golf Course, 1 Swimming Pool, 10 Tennis Courts.

Recreation Expenditures in 1995: \$2,557,845

\*Dayton Power & Light services approximately 1,063 street lights. The \$159,508 covers maintenance for a total of 1,098 street lights.



*City of Englewood*  
**Demographics**

Year of Incorporation: 1971

Area: 6 square miles

Income Tax: 1.75%

Property Tax: 90.51 mills

Miles of Streets: 55

Number of Street Lights: 1033

1995 Population: 11,915

**Fire Protection**

Provided by Randolph Township

1995 contribution: \$463,416

**Police Protection**

Number of Stations: 1

Number of Officers: 14

**Municipal Water System**

Miles of Water Mains: 43

**Municipal Sewage**

Miles of Sanitary Sewer Main Lines: 31

Recreation Expenditures: \$181,827

*City of Kettering*  
**Demographics**

Year of Incorporation: 1955

Area: 18.4 square miles

Income Tax: 1.75%. Revenues totaled \$20.6 million, representing 51% of total revenues.

Property Tax: 77.63 mills

1995 Population: 61,000 (est)

% change since 1987: 2.5%

Miles of Streets: 242.41

Number of Street Lights: 2,800

1994 Property Values: \$2,623,078,537

% change since 1987: 31%

Police Protection

Number of Stations: 1

Number of Officers: 80

Assessed Value: \$913,650,786

Overall Legal Debt Limitation

@10.5 percent limit: \$ 95,933,333

Total Outstanding Debt: \$17,555,995

Debt Subject to 10.5% Limits: \$15,237,215

Fire Protection

Number of Stations: 7

Number of Personnel\*: 47

Unvoted Legal Debt Margin

@5.5 percent limit: \$50,250,793

Debt Subject to 5.5% limits: \$7,732,863

Employees: (full-time): 261

Water: Provided by Montgomery County

Sewer: Provided by Montgomery County

Recreation: 20 Parks totaling 408 acres, 145,000 square foot recreation complex, 2 Libraries.

Recreation Expenditures: \$7,027,900

\*Excludes part-time employees and volunteers.

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